

# MEDIA RELEASE



International Organization of Securities Commissions  
Organisation internationale des commissions de valeurs  
Organização Internacional das Comissões de Valores  
Organización Internacional de Comisiones de Valores

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## **IOSCO Publishes its Final Report on International Standards for Derivatives Market Intermediary Regulation**

The International Organization of Securities Commissions has published today a report entitled [\*International Standards for Derivatives Market Intermediary Regulation\*](#), which recommends high-level international standards for the regulation of market participants that are in the business of dealing, making a market or intermediating transactions in over-the-counter (OTC) derivatives.

Historically these derivatives market intermediaries (DMIs) often have not been subject to the same level of regulation as participants in the traditional securities market. Without sufficient regulation, some DMIs operated in a manner that created risks to the global economy that manifested during the financial crisis of 2008.

The Report follows on the commitment by G-20 leaders in 2009 to reform the OTC derivatives market in response to the crisis. It takes into account distinctions between the OTC derivatives market and the traditional securities markets, and the differences in jurisdictional approaches of international market authorities. The recommendations in the Report are intended to address:

- DMI obligations that should help mitigate systemic risks;
- Requirements intended to manage counterparty risk in the OTC derivatives markets; and
- Protecting participants in the OTC derivatives markets from unfair, improper or fraudulent practices.

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The Report draws on the extensive work IOSCO has done on traditional securities market intermediaries, in an effort to harmonize the recommendations applicable to DMIs and to avoid the creation of unnecessary burdens on entities that act as both traditional securities market intermediaries and DMIs. The recommendations are made regarding the following substantive areas:

- Registration/licensing standards;
- Capital standards or other financial resources requirements for non-prudentially regulated DMIs;
- Business conduct standards;
- Business supervision standards; and
- Recordkeeping standards.

Consistency among market authorities with respect to the regulation of DMIs is essential to the successful oversight of the global OTC derivatives market particularly because many DMIs operate in multiple jurisdictions.

## NOTES FOR EDITORS

1. IOSCO is the leading international policy forum for securities regulators is recognised as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in 115 jurisdictions and its membership continues to expand.
2. IOSCO aims through its permanent structures:
  - to cooperate in developing, implementing and promoting adherence to internationally recognised and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
  - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
  - to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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