

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
المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/31/2021

Madrid, 15 November 2021

IOSCO consults on revised Principles for the regulation and supervision of commodity derivatives markets to reflect recent market developments.

The Board of the International Organization of Securities Commissions (IOSCO) is requesting feedback on [proposed revisions](#) to its *2011 Principles for the Regulation and Supervision of the Commodity Derivatives Markets*.

The revised Principles seek to ensure that commodity derivatives markets continue to facilitate price discovery and hedging, while remaining free from manipulation and abusive practices. The Principles will assist relevant Market Authorities in constructing an appropriate regulatory and supervisory approach that furthers these objectives and fosters proper conduct in commodity derivatives markets.

IOSCO published the original Principles in September 2011, in response to a G20 request for further work on regulation and supervision of the commodity derivatives markets, due to continued volatility and price pressure on certain commodities. While the Principles reflected the characteristics of the markets at that time, these markets have continued to evolve over the last decade. New trends arising from the regulatory reforms, the growing reliance on electronic trading and data, emerging new technologies and products, and unexpected disruptions beyond market dynamics, among other developments, have influenced how commodity derivatives markets and price formation in these markets have evolved in this period.

Accordingly, IOSCO conducted a review of the recent developments and their impact on the commodity derivatives markets. It updated the 2011 IOSCO Principles to help ensure these developments are appropriately addressed and the Principles continue to provide a resilient framework for the regulation and oversight of commodity derivatives markets.

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
المنظمة الدولية لهيئات الأوراق المالية

IOSCO also considered the importance of mitigating the impact of unexpected disruptive external events, such as spikes in oil prices or the COVID-19 pandemic, on commodity derivatives markets and how the Principles might help address such events.

For this consultation, IOSCO is asking market participants the following questions:

Consultation Questions:

Do you think the revised Principles reflect appropriately the changes, trends and activities in the commodity derivatives markets over the last decade since the publication of the original Principles in 2011? Are there any areas that are missing and/or merit IOSCO consideration? Do the Principles continue to serve as a sound framework for the regulation of the commodity derivatives markets?

Please submit comments to consultation-05-2021@iosco.org on or before 17 January 2022.

Notes to the Editor:

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organisation's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 34 securities regulators. Mr. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Bahamas, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Kenya, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Russia, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.
3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing more than 75% per cent of the IOSCO membership, including 10 of the G20 members. Dr. Mohammed Omran, Executive Chairman of the Financial Regulatory Authority, Egypt is Chair of the GEM Committee. The committee brings members from growth and emerging markets together and communicates members' views

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

المنظمة الدولية لهيئات الأوراق المالية

and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focussed, amongst others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.

4. IOSCO aims through its permanent structures:

- to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement 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 to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

MEDIA ENQUIRIES

Carla Vitzthum 34 697 449 639
Email: carla@iosco.org
Website: www.iosco.org
Follow IOSCO on [Twitter here](#)