



ISDA, FIA, GFMA, CMC and CMCE response to the IOSCO Consultation Report on Good Practices concerning over-the-counter Commodities Derivatives Markets

Executive Summary

ISDA, FIA, GFMA, CMC and CMCE (together, “the Associations”) welcome the opportunity to respond to the IOSCO Consultation Report on Good Practices concerning over-the-counter Commodity Derivatives Markets. We support IOSCO’s objectives of safeguarding market integrity, ensuring orderly trading conditions and strengthening the resilience of commodity derivatives markets during periods of stress.

The Associations recognise that authorities may face challenges in assessing risk arising from activity in certain OTC markets, particularly where large exposures may be dispersed across multiple counterparties. However, these challenges should be addressed through more effective use of existing data and strengthened cooperation between authorities, rather than through the introduction of new and potentially duplicative reporting requirements.

In particular, significant volumes of OTC derivatives data are already reported to trade repositories under established regulatory regimes in major jurisdictions. We strongly urge IOSCO member jurisdictions to enhance the quality, accessibility and analytical use of this data, including through enhanced use of structured data language, alongside more effective cross-border data sharing through Memoranda of Understanding (MoU) and similar arrangements, in each case having due regard to the scope of legitimate interest which each regulator has in any kind of information being accessed, which would deliver meaningful supervisory benefits without the additional burden of new layers of reporting. Improved coordination between regulators is preferable to extra-territoriality of regulatory requirements, with its potential for duplicative and conflicting requirements and double jeopardy in terms of enforcement actions for market participants. If there are legitimate cross-border concerns about market integrity or disorderly conditions, regulators should coordinate with their counterparts in relevant jurisdictions to access this information. It is vital that regulators invest in and improve their own information-sharing arrangements with each other to enable them to make use of the data already made available under transaction reporting regimes and position reporting regimes before seeking to impose further

expensive and burdensome reporting obligations on market participants, which in some cases may operate as a barrier to entry.

In addition, exchanges already have the ability – as foreseen by legislation and/or exchanges’ rulebooks - to request OTC position information from their members on an ad-hoc basis where they consider it necessary for the purposes of surveillance of the markets they operate, and various exchanges have implemented such provisions without a regulatory imperative to do so.

Against this backdrop, the Associations welcome the existing frameworks and are opposed to any recommendations that could lead to new reporting requirements, in particular mandatory or systematic OTC position reporting to exchanges. No jurisdiction currently operates such a framework, and its introduction is not only unnecessary, but would create significant additional burden for market participants. Indeed, the European Commission’s report of May 2026 on commodity derivatives states that *‘any requirement for market participants to systematically report their positions in the underlying market and in a broad set of OTC contracts to trading venues would not be proportionate because of the burden such a measure could represent.’*¹ Introducing such measures would also run contrary to simplification and burden reduction efforts in several jurisdictions.

It is also important to maintain a clear distinction between the roles of exchanges and public authorities and not blur such distinctions by including both within the broad concept of ‘Market Authorities’. While exchanges – many of which operate as self-regulatory organizations (SROs) – play an important role in ensuring fair and orderly trading on their respective exchange, broader supervisory responsibilities, including the oversight of OTC markets and any associated interventions, should remain a prerogative of competent regulatory authorities. Any other approach would lead to regulatory uncertainty and competition concerns.

We also note the existence of some practical, legal and operational challenges in identifying and obtaining data on underlying beneficial owners of positions. These include constraints related to confidentiality and client consent, the risk of fragmented reporting standards, and legitimate concerns around the sharing of commercially sensitive OTC data with exchanges acting as market operators.

Additionally, the Associations caution against any measures which could have as their consequence an expansion of the financial regulatory perimeter to encompass physically settled commodity forwards within financial market reporting regimes. Such transactions are primarily commercial in nature and are often already subject to sector-specific reporting obligations. Extending financial regulatory requirements to these physically settled

¹ eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=COM:2026:251:FIN

products would introduce duplication and may have unintended consequences, including bringing such contracts within the scope of wider financial regulation.

Further, the current definition of ‘economically equivalent OTC’ (EEOTC) contracts is now widely established market practice and aligned with the US definition of ‘economically equivalent swap’. Changes to the definition could alter calibrations of current position limits regimes and consequently harm liquidity provision in commodity derivatives markets.

Finally, given already existing duplicative reporting regimes, for example with respect to certain transactions under the EMIR and MiFIR in Europe, any further reporting requirements leading to more duplication of reporting should be avoided – this would also be out of line with ongoing efforts to reduce administrative burdens associated with transaction reporting.

In conclusion, the Associations strongly believe that IOSCO’s recommendations should promote a proportionate, targeted and risk-based approach, based on strengthening existing frameworks and reusing data already gathered under existing reporting frameworks, rather than introducing new and potentially disruptive obligations.

Question 1: Do you agree with the key aspects and scope of the proposed good practices outlined in this Consultation Report? Please share any specific comments on the proposed good practices.

The Associations broadly support the emphasis on proportionality, risk sensitivity and market-specific application of the proposed good practices. Commodity markets are heterogeneous by nature, and inherently diverse, and the risks associated with OTC activity differ across those markets.

We strongly support an approach of targeted, event-driven requests for OTC data, with any such requests limited to circumstances where there is a clear nexus between OTC positions and specific exchange-traded contracts for which disorderly trading and/or abusive practices pose material risks to relevant markets. Any such request for data by exchanges should be subject to robust safeguards addressing confidentiality, data use and competition concerns. We also strongly believe that intervention – if deemed necessary – in OTC markets should remain the responsibility of public authorities, noting that exchanges may be in competition with OTC trading activities.

Accordingly, we oppose any new form of regular or systematic OTC position reporting to exchanges or additional reporting to regulators. Significant volumes of OTC commodity derivatives data are already reported to trade repositories under systemic risk reporting regimes and are accessible to regulators under existing frameworks for their cross-market oversight function with the aim of ensuring market stability and integrity. Rather than

introducing additional reporting obligations, authorities should implement improvements in data quality, timeliness and usability, as well as enhanced regulatory cooperation, including data sharing. For the purposes of exchanges ensuring orderly markets, ad hoc targeted requests triggered by exchange determined factors and signals such as accountability thresholds are sufficient and appropriate. Instead of introducing systematic reporting, the ability for an exchange or other trading venue operator to request information on OTC positions should be linked to what is necessary to maintain orderly markets on that exchange. The Associations do not support trading venues or CCPs being required to collect OTC position information on a systematic basis or monitor OTC positions.

Finally, IOSCO's recommendations should not result in any suggestion of an expansion of reporting requirements under financial regulatory regimes to include physically settled commodity forwards. These products and transactions are typically subject to sector-specific oversight and reporting requirements, and extending financial reporting obligations would be duplicative, disproportionately burdensome and inappropriate. It could also potentially have unintended consequences such as capturing these contracts in the scope of wider financial regulation. Instead, we encourage financial regulators to enhance cooperation with energy regulators and share relevant transaction reporting data having due regard to the scope of legitimate interest which each regulator has in any kind of information being accessed. It is vital that regulators invest in and improve their own information-sharing arrangements with each other to make better use of the data already available under existing reporting regimes before seeking to impose further expensive and burdensome reporting obligations on market participants. In this context, we note the European Commission's report of May 2026 on commodity derivatives, stating that *'short-term measures could be explored to facilitate data-sharing between authorities and improve the interoperability of data sets.'*²

Question 2: Are there any further key good practices that could be considered?

IOSCO should strongly encourage regulators to conduct a gap analysis and structured mapping of all existing data sources before considering the introduction of any new OTC reporting obligations. Such an analysis would identify what OTC data is already available, which authorities can access it, whether any genuine information gaps remain and a reasoned assessment be made as to whether such information is, in fact, necessary and within the scope of the legitimate interest of relevant authorities under their respective regulatory mandates.

Where such gaps are identified, these should be addressed through enhanced cooperation and data sharing between authorities based on the "report once" principle and by creating centralised reporting frameworks at a jurisdiction level where possible. IOSCO member

² eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=COM:2026:251:FIN

jurisdictions should fully utilise existing transaction reporting data and ensure cross-border usability. This approach would support IOSCO's objectives in a more proportionate manner and would avoid introducing additional reporting layers that risk duplication and inefficiency. We note that this approach is aligned with efforts in several jurisdictions to simplify transaction reporting.

The standardization of data across jurisdictions through open-source models such as the FINOS Common Domain Model (CDM) would also be greatly beneficial.

Question 3: Under what conditions should Market Authorities require OTC position data to be collected and reported to them? What criteria should be used to determine regular or ad-hoc reporting?

As a general remark, we recommend IOSCO clearly distinguish between regulatory authorities and exchanges rather than use the umbrella term 'Market Authority'. In this example, given the context of the question, we understand that market authority refers to exchanges.

The Associations support an approach under which exchanges can request information on specific OTC positions from their members on a targeted, case-by-case basis, informed by market intelligence rather than by pre-determined criteria imposed upon exchanges by regulation. Such requests should only be made where there is clear and demonstrable potential for OTC positions to pose risks to the integrity of a specific exchange-traded contract.

We note that as exchanges may be in competition with OTC markets, frameworks to request OTC data should incorporate strict safeguards and limit usage of data to market surveillance purposes to avoid any possibility or appearance of conflicts of interest. It should be noted that many exchanges do apply strict segregation of their surveillance functions from their commercial use of data, and we recommend that IOSCO encourages its member jurisdictions to ensure that this good practice is systematically upheld.

In this context, we broadly agree with the conditions under Principle 12, insofar as they reflect a proportionate and evidence-based approach.

Therefore, we do not consider that new regular or systematic OTC position reporting to exchanges or additional reporting to regulators is necessary. Exchanges already have the ability to request information on an ad hoc basis where needed, and to apply position management tools such as accountability thresholds to identify potential risks. Regulators, in turn, already have access to OTC data through trade repositories, enabling them to form a cross-market view.

While we note IOSCO's concerns around timeliness of information, existing regimes typically provide daily reporting, and exchanges can already obtain more immediate information from their members where required. The key challenge is therefore less about the availability of data and more about the ability to analyse and act on that data effectively. Regulators should seek to maximise that ability.

Question 4: Do you have suggestions for Market Authorities' improved use of existing data pipelines for purposes of ensuring market integrity?

IOSCO members should focus on improving the effectiveness of existing data frameworks, particularly the use of OTC derivatives data reported to trade repositories. This includes strengthening data sharing arrangements between authorities, both domestically and across borders, and investing in processes to enhance data quality, standardization, reconciliation and analysis.

A more coordinated approach to the use of existing data would enable authorities to obtain a clearer and more comprehensive view of market activity without imposing additional reporting burdens on market participants.

Question 5: What metrics or indicators are appropriate for assessing the degree of interconnectedness between a related OTC market and an exchange-traded market?

The Associations consider that a prescriptive list of metrics or indicators to assess interconnectedness would have little value. Exchange-traded and OTC contracts are different by nature, and in addition OTC contracts are highly flexible.

Rather, regulators should maintain a flexible approach of requesting OTC data on an ad hoc basis from market participants where their positions in exchange-traded contracts merit investigation.

Question 6: What types of information could help Market Authorities identify the beneficial owners of positions?

Question 7: Do you foresee challenges for Market Authorities in identifying and obtaining data on underlying beneficial owners, and how could these be mitigated?

The Associations identify a number of practical and legal challenges associated with obtaining beneficial ownership information.

Confidentiality and data protection laws in certain jurisdictions may restrict the sharing of client-level information, particularly with entities such as exchanges that are not acting as public authorities. In some cases, client consent may be required and may not be readily obtainable, or even legally possible.

Competition considerations may also arise where exchanges are granted access to sensitive OTC position data. While the regulation and surveillance functions of exchanges are typically segregated from their commercial operations, underlying beneficial owners may not be aware of or satisfied with these arrangements, and accordingly have concerns regarding how such information could be used. Absent any direct contractual connection between the underlying beneficiary and the exchange or the exchange member, they may be unwilling to provide it and exchange members may be legally constrained from doing so without their consent.

In addition, the development of exchange-specific reporting requirements risks creating fragmented and inconsistent reporting standards. This would increase operational complexity and costs for all types of market participants, while reducing the comparability and usefulness of data from a regulatory perspective.

Taken together, these challenges reinforce the importance of relying on existing reporting frameworks and enhancing cooperation between authorities, rather than introducing new reporting regimes designed by exchanges.

Question 8: In what circumstances may it be necessary for regulators to intervene in OTC markets, and what impact might this cause?

As a general principle, intervention in OTC markets should be avoided or strictly limited to exceptional circumstances. Unnecessary or poorly calibrated intervention risks increasing uncertainty, undermining market confidence and impairing the ability of participants to manage risks effectively.

Any use of intervention powers should therefore be clearly framed as exceptional and as a last resort. More targeted measures, such as addressing liquidity constraints or easing collateral pressures during periods of stress, may often be more effective in supporting market functioning.

Where intervention in OTC markets is considered necessary, we agree with the framing implicit in the question that this should remain the responsibility of public authorities rather than exchanges. Regulators are better placed to assess cross-market implications, and it should remain their prerogative to have relevant cross-market visibility to be able to exercise their oversight function. While many exchanges segregate their commercial operations from their market surveillance functions, conflicts of interest in relation to OTC activity may arise for those which do not.

Intervention tools commonly used in exchange-traded markets, such as trading halts or contract unwinds, are designed to support orderly price formation within those specific market structures. These tools are not readily transferable to OTC markets, where bilateral

arrangements and customised contracts play a central role. Applying such measures in the OTC context could disrupt liquidity and undermine price discovery.

Question 9: What kind of cross-border cooperation is necessary or beneficial to coordinate data collection?

Enhanced cross-border cooperation is critical to obtaining a comprehensive view of global commodity derivatives markets. This should include expanded use of bilateral and multilateral Memoranda of Understanding, as well as more structured forms of cooperation such as supervisory colleges and crisis coordination mechanisms. Increased data standardization across jurisdictions should also be promoted.

Such arrangements facilitate timely and consistent data sharing, support coordinated supervisory responses, and reduce the need for duplicative reporting requirements across jurisdictions.

Question 10: How do you contemplate that this consultation report may also be relevant to OTC execution venues?

The consultation is relevant to OTC execution venues insofar as it may result in additional or overlapping regulatory obligations. These venues are already subject to comprehensive reporting and supervisory frameworks, and IOSCO should avoid recommendations that create duplication or inconsistency.

The regulatory framework should remain coherent and proportionate, while recognising the distinct role that OTC venues play in supporting liquidity and facilitating tailored risk management.

About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 78 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on [LinkedIn](#) and [YouTube](#).

About FIA

FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, DC. Our membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers.

About GFMA

The GFMA represents the common interests of the world's leading financial and capital market participants, to provide a collective voice on matters that support global capital markets. We advocate on policies to address risks that have no borders, regional market developments that impact global capital markets, and policies that promote efficient cross-border capital flows, benefiting broader global economic growth. The Global Financial Markets Association ("[GFMA](#)") brings together three of the world's leading financial trade associations to address the increasingly important global regulatory agenda and to promote coordinated advocacy efforts. The Association for Financial Markets in Europe ("[AFME](#)") in London, Brussels and Frankfurt, the Asia Securities Industry & Financial Markets Association ("[ASIFMA](#)") in Hong Kong and Singapore, and the Securities Industry and Financial Markets Association ("[SIFMA](#)") in New York and Washington are, respectively, the European, Asian and North American members of GFMA.

About CMC

The Commodity Markets Council (CMC) is the leading Washington, DC based trade association that brings together commodity exchanges with their agriculture and energy trading counterparts. Its members include commercial end-users that utilise the futures and swaps markets for agriculture, energy, metal, and soft commodities. Its industry member firms also include regular users and members of swap execution facilities as well as designated contract markets, such as the Chicago Board of Trade, Chicago Mercantile Exchange, ICE Futures US, Minneapolis Grain Exchange, and the New York Mercantile Exchange. Along with these market participants, CMC members also include regulated derivatives exchanges and price reporting agencies. The businesses of all CMC members depend upon the efficient and competitive functioning of the risk management products traded on DCMs, SEFs, and over-the-counter markets. As a result, CMC is well positioned to provide a consensus view of commercial end-users on the impact of this IOSCO Consultation Report.

About CMCE

The Commodity Markets Council Europe (CMCE) is the only association in Europe representing the range of commodity market participants - agriculture, energy, metals and other commodity market participants, benchmark providers, price reporting agencies, and trading venues operating in the EU, EEA, Switzerland and neighbouring countries. The majority of CMCE members use commodity derivative markets to hedge the risks related to their physical activities and assets. CMCE's key purpose is to engage with policymakers and regulators to promote liquid and well-functioning commodity derivative markets in Europe.