

FESE Response to the IOSCO Consultation on the Revised Principles for the Regulation and Supervision of Commodity Derivatives Markets

Brussels, 17th January 2022

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?

FESE welcomes the opportunity to respond to the IOSCO consultation on the revised 2011 Principles applicable to commodity derivatives markets.

We believe that the review is very timely. It correctly reflects the main developments and trends in these markets and will help absorb potential novel and disruptive shocks, taking into account the lessons learnt from the Covid-19 pandemic.

Are there any areas that are missing and/or merit IOSCO consideration?

No, we believe that the revised Principles consider the main aspects and address all potential areas where further guidance was needed, for instance with regards to technological developments or data and market transparency.

Do the Principles continue to serve as a sound framework for the regulation of the commodity derivatives markets?

Yes, and we would encourage the relevant Market Authority or Authorities to take into account these revised Principles when exercising their regulatory and supervisory responsibilities.

In this respect, we would welcome further details regarding the finalisation and timeline of the process. Given the specificities but as well the global nature of commodity derivatives markets, further coordination among Market Authorities would benefit market participants.

The Federation of European Securities Exchanges (FESE) represents 35 exchanges in equities, bonds, derivatives and commodities through 16 Full Members from 30 countries, as well as 1 Affiliate Member and 1 Observer Member.

At the end of December 2021, FESE members had 9,376 companies listed on their markets, of which 17% are foreign companies contributing towards European integration and providing broad and liquid access to Europe's capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access capital markets; 1,446 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers. Through their RM and MTF operations, FESE members are keen to support the European Commission's objective of creating a Capital Markets Union.

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