



TOPICS:

Market Risk

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[International Organization of Securities Commissions](#)

IOSCO Publishes Consultation Report on Good Practices Concerning Over-the-Counter Commodities Derivatives Markets

- This **consultation report** (comments may be submitted before 19 June 2026) sets out proposed good practices **to enhance regulatory oversight of over-the-counter (OTC) commodity derivatives markets**, with a focus on improving transparency, risk monitoring, and intervention capabilities.
- The report identifies a core regulatory challenge: **market participants often hold interconnected positions across exchange-traded, OTC and physical markets**, yet regulators and exchanges lack sufficient visibility over OTC exposures. This opacity can obscure large or concentrated positions, increasing risks of market abuse, price distortion and systemic instability.
- To address these issues, IOSCO proposes a **risk-based and proportionate framework** for OTC data collection. Rather than mandating universal reporting, authorities should focus on “critical or significant contracts” where risks to market integrity are highest. Data collection may occur on a routine or event-driven basis, triggered by factors such as market stress, unusual price movements or large exposures.

The framework emphasises the need to aggregate positions across exchange-traded and related OTC markets under common ownership to detect hidden concentrations.

- The report also highlights **structural challenges**, including legal constraints on data sharing, inconsistent definitions of OTC derivatives across jurisdictions and difficulties in identifying beneficial owners due to anonymisation and privacy rules. IOSCO recommends strengthening regulatory powers, improving data standardisation and enhancing cross-border cooperation to mitigate these issues.
- Regarding market intervention, IOSCO clarifies that **regulators** - rather than exchanges - **should lead interventions in OTC markets**, particularly during crises or when risks cannot be managed through existing tools. Effective intervention requires clear triggers, robust surveillance and coordinated information-sharing among regulators, exchanges and other authorities.

