AB Trading Advisors

+44 (0)20 3405 0201

contact@abderivs.com

Cleaning up from 2008 - Preparing for OTC derivatives clearing

25 - Jun - 2014

Regulatory Background

The recent financial crisis, culminating in the insolvency of Lehman Brothers in 2008, highlighted risks within the over-the-counter (OTC) derivative markets, in particular in relation to counterparty credit risk and lack of transparency. Reforms initiated by the Group of 20 leading nations in September 2009 to push ‘standardised’ OTC derivatives into clearinghouses are now being implemented following the passing of the Dodd-Frank Act in the United States and the proposed European Union regulation on OTC derivatives, central counterparties and trade repositories.