

Joint Statement of the European Commission and CFTC Following Meeting on Cross-Border Derivatives Regulatory Issues

Washington, DC – The following statement is released following a meeting between John Berrigan, Deputy Director General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA), European Commission and Heath Tarbert, Chairman, U.S. Commodity Futures Trading Commission, held in Washington, DC on September 5, 2019:

The CFTC and European Commission reaffirm their mutual commitment to transatlantic cooperation among regulators. Consistent with internationally agreed principles, dialogue, collaboration, and reciprocal deference among supervisors enables the effective implementation of the G20 reforms to derivatives markets. Collectively, such coordination facilitates open, transparent, competitive, and financially sound markets. It also strengthens domestic and global economies and promotes local and global financial stability, while its absence can produce undesirable consequences.

At the meeting, the delegations from the CFTC, the European Commission and the European Securities Markets Authority (ESMA) discussed financial supervisory and regulatory developments as well as current and future priorities. The discussions provided an opportunity to exchange views on regulatory and supervisory responses to foreign/third-country central counterparties (CCPs) that clear for domestic market participants, possible qualitative and quantitative factors to determine systemic relevance, efficient and effective supervisory cooperation, and the need to avoid inconsistent or conflicting requirements. The discussion also covered the importance of home and host regulators and supervisors in fostering the robustness of the local and broader derivatives markets and the utility of deference in this regard.

The parties noted the importance of understanding and responding to each other's objectives and concerns in a timely manner, given that the European Commission will be consulting in the near future on one or more delegated acts to implement the European Market Infrastructure Regulation 2.2 legislation and the CFTC has invited comment on proposed rules pertaining to non-U.S. CCPs. Consequently, the CFTC and the EU delegations agreed to hold follow-up discussions aimed at achieving a practicable transatlantic derivatives regulatory framework that provides for effective supervisory oversight on both sides of the Atlantic.