

Press release

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FINMA publishes amended FMIO-FINMA

The Swiss Financial Market Supervisory Authority FINMA is introducing a clearing obligation for standardised interest-rate and credit derivatives traded over the counter (OTC). The corresponding annex of the FINMA Financial Market Infrastructure Ordinance (FMIO-FINMA) will enter into force on 1 September 2018.

The amended FINMA Financial Market Infrastructure Ordinance (FMIO-FINMA) will introduce a mandatory clearing obligation for standardised interest-rate and credit derivatives traded over the counter (OTC). The clearing obligation is stipulated in the Financial Market Infrastructure Act. FINMA determines the timing of its introduction and specifies the categories of derivatives covered. Before introducing these changes, FINMA ran a consultation for the industry. Based on the comments submitted, no changes will be made to the categories of derivatives FINMA had proposed. FMIO-FINMA will enter into force on 1 September 2018. From then on, the deadlines for the first clearing obligations will run. These deadlines are laid down in the Federal Financial Market Infrastructure Ordinance.

A central component of Swiss regulation of derivatives trading is the duty to clear certain FINMA-designated OTC categories of derivatives through a central counterparty. OTC derivatives are derivative instruments that are not traded through a trading venue such as an exchange or a multilateral trading facility.