

# Corporate & Financial Weekly Digest

September 16, 2011 by [Kevin M. Foley](#)

## **IOSCO Publishes Commodity Derivatives Markets Supervisory Principles**

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The Technical Committee of the International Organization of Securities Commissions (IOSCO) published a report, prepared by the IOSCO Task Force on Commodity Futures Markets, on principles for the regulation and supervision of commodity derivatives markets (the Principles). The report addresses the G20's November 2010 request for further work on regulation and supervision of physical commodity derivatives markets.

The Principles build upon and expand the guidance provided in the 1997 *Tokyo Communiqué* (which set benchmarks for contract design, market surveillance, and information-sharing for physical commodity derivatives markets). The Principles aim to ensure a globally consistent approach to the oversight of commodity derivatives markets that will deliver effective supervision, combat market manipulation, and improve price transparency. While the Principles are primarily intended to apply to exchange-traded futures contracts, options on futures contracts, options referenced to a physical commodity, and index or price series that may settle in cash or by physical delivery, many of the Principles are intended also to apply to over-the-counter markets.

The Principles address the following subjects: design of physical commodity derivatives contracts; surveillance of commodity derivatives markets; disorderly markets; enforcement and information sharing; and enhancing price discovery and transparency.

The IOSCO report may be found [here](#).

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