

The Financial Crisis and Information Gaps

Recommendation 5: Credit Default Swap Statistics

Senior Officials Conference
Basel, April 8 and 9, 2010

G-20 recommendation

- *The CGFS and the BIS to undertake further work in close cooperation with central banks and regulators on the coverage of statistics on the credit default swap markets for the purpose of improving understanding of risk transfers within this market.*
- Lead agency: BIS

Current reporting

- BIS has compiled and published data on credit default swaps (CDS) since 2005
- Data are reported on semi-annual basis by G10 countries and Switzerland
 - Notional amounts and gross market values
 - Limited counterparty and maturity breakdown

2009 Review of CDS statistics

- CGFS Working Group reviewed CDS reporting
- CGFS endorsed report and recommendations in September 2009
- WG Report “Credit risk transfer statistics” published in September 2009

<http://www.bis.org/publ/cgfs35.pdf>

Main recommendations

- Near-term changes: June 2010
 - CCPs as new counterparty, separate reporting of hedge funds, index products (recommended) in semi-annual G-10 survey
 - CCPs to be implemented in 2010 BIS Triennial Survey
- Longer-term amendments to CDS reporting template: June 2011
 - Regional counterparty breakdowns
 - CDS on ABS as new reference entity
 - Total amounts of synthetic CDOs
 - Gross credit exposure
- Explore supplementing BIS CDS data with DTCC data

Large increase in CDS reporting

- Original (2004) framework
 - > 300 series
- June 2010 framework
 - > 500 series
- June 2011 framework
 - > 1000 series