

## VIDEO

January 8, 2016

# Focus on Funds: Cross-Border Compliance Confusion Continues

Focus on Funds

## Cross-Border Compliance Confusion Continues

The January 8, 2016, edition of *Focus on Funds* offers insight into the global rules governing funds' clearance of derivatives trades.

### Transcript

**Stephanie Orbals-Tibbs, Director, ICI Media Relations:** Global equity fund managers are responding to a crush of new data reporting requirements, all stemming from the implementation of the Markets in Financial Instruments Directive, or MiFID. This directive, and many other challenges, await equity managers, and I spoke with some of the experts at ICI Global's trading and markets conference about what they're facing, and how they're managing.

**Jennifer Choi, ICI Senior Associate Counsel:** So the two key takeaways: one is with respect to EU clearing mandate coming into place in June. There's still no answer to EU recognition of U.S. CCPs [central counterparty clearinghouses], so with respect to EU and U.S. cross-border transactions, there's no answer to how to comply with both sets of rules. It's a real key issue and no answer is coming up anytime soon.

The second issue is, now that there's so much central clearing, does that concentrate risk in clearinghouses, and how do we deal with the systemic risk that is posed by clearinghouses? And what are the tools for resolving or even recovering stressed CCPs? That's going to be the next big set of issues that will have to be addressed and discussed in the upcoming year.

### Additional Resources

- [ICI Global Analysis of Global Trading and Markets Policy](#)