

U.S. DEPARTMENT OF THE TREASURY

Press Center



Administration's Regulatory Reform Agenda Reaches New Milestone

8/11/2009

2009-8-11-14-55-51-23043

Acting on its commitment to restoring stability in our financial system, the Administration delivered legislative language to Capitol Hill on August 11, 2009 focusing on the regulatory reform of over-the-counter (OTC) derivatives. One of the most significant changes in the world of finance in recent decades has been the explosive growth and rapid innovation in the markets for credit default swaps (CDS) and other OTC derivatives. These markets have largely gone unregulated since their inception. Enormous risks built up in these markets – substantially out of the view or control of regulators – and these risks contributed to the collapse of major financial firms in the past year and severe stress throughout the financial system.

Under the Administration's legislation, the OTC derivative markets will be comprehensively regulated for the first time. The legislation will provide for regulation and transparency for all OTC derivative transactions; strong prudential and business conduct regulation of all OTC derivative dealers and other major participants in the OTC derivative markets; and improved regulatory and enforcement tools to prevent manipulation, fraud, and other abuses in these markets.

Today's delivery marks an important new milestone, as the Administration has now delivered a comprehensive package of financial regulatory reform legislation to Capitol Hill. Less than two months since the release of its white paper, "Financial Regulatory Reform: A New Foundation," on June 17, the Administration has successfully translated all of its proposals into detailed legislative text – a remarkable effort in both speed and scope. The Administration looks forward to working with Congress to pass a comprehensive regulatory reform bill by the end of the year.

LINKS

- [Administration's Regulatory Reform Agenda Reaches New Milestone](#)



