



World Federation of Exchanges (WFE) Announces Priorities for 2010

Madrid (February 1, 2010) – The officers and members of the Board of Directors of the World Federation of Exchanges ([WFE](#)) today announced priorities for the year in which WFE celebrates its 50th anniversary. The WFE brings the world’s regulated exchanges together in order to improve the quality of markets.

The Board of Directors targeted the following priorities for 2010, pledging to:

- Support reform in the regulation of OTC derivatives markets, which were a contributing factor in the recent financial crisis. The exchange community offers a clear alternative and a model for post-trade clearing and settlement, risk management and transparency in pricing. WFE intends to convey this message through constructive collaboration with policy makers and regulators, including a closer working relationship with the International Organization of Securities Commissions ([IOSCO](#)), to ensure that these reforms are coordinated globally, and in a manner which reduces systemic risk.
- Continue to press for international cooperation and coordination among regulators and exchanges on intermarket mechanisms.
- Examine the structure of fixed income markets in order to evaluate how post-trade transparency, risk management and investor protection could help these markets recover from the drop in liquidity that they have experienced since the credit crisis.

WFE Chairman William J. Brodsky of the Chicago Board Options Exchange ([CBOE](#)), entering the second year of his term as WFE Chairman, emphasized the important role shared by WFE members in helping to shape effective regulatory reform.

“The WFE supports reform of the OTC derivatives markets. Nobody benefits by maintaining the status quo of a system that brought us to the brink. Many of the benefits and safeguards of

exchange trading and centralized clearing can be achieved in the OTC derivatives market,” said Mr. Brodsky, who is the first chairman of a derivatives exchange to head the WFE. “Derivatives represent the largest single segment of the world’s financial markets and 90% of these assets trade in largely unregulated OTC markets. The WFE intends to share its knowledge of best risk-management practices with international governing bodies at this critical juncture.”

To stress its commitment to global markets reform, WFE is working to strengthen its ongoing collaboration with IOSCO through an affiliate membership. IOSCO Secretary General, Greg Tanzer joined the WFE Board meeting to review the current policy agendas of both organizations.

The Board also welcomed Mr. José M. Campa, the Spanish Secretary of State for Economic Affairs, a position of global significance as Spain now holds the European Union presidency.

Public Interest Oversight Board (PIOB) Secretary General Gonzalo Ramos has also joined the WFE Board on matters of financial reporting, a critical topic for enhancing confidence and transparency in public, regulated markets.

Among the changes on the Board this year, Mr. Ronald Arculli, Chairman, Hong Kong Exchanges and Clearing ([HKEx](#)), takes over as WFE Vice-Chairman from Paul Chow the former CEO of HKEx, who retired earlier this year. Mr. Bongsoo Kim of Korea Exchange ([KRX](#)), Chairman and CEO, will be the new representative. Mr. Craig Donohue, CEO of [CME Group](#) and Mr. Andreas Preuss, Deputy CEO of [Deutsche Boerse](#) begin their terms. A complete listing of WFE’s new board may be found on the WFE website (<http://www.world-exchanges.org/about-wfe/board-directors>).

The Federation has also recently published its [2009 WFE Market Highlights](#) and [WFE 10 years in review \(2000-2009\)](#). An analysis of these market statistics can be found in the latest issue of [WFE Focus](#).

As part of the WFE's Jubilee anniversary, the Federation will recall the contribution of exchanges to the growth of capital markets these past five decades in a book to be published in 2010.

ABOUT THE WFE:

The World Federation of Exchanges, based in Paris, is the trade association of 52 publicly regulated stock, futures and options exchanges. WFE conducts research on issues pertinent to its members and holds workshops and conferences around the world. WFE market operators are responsible for the functioning of key components in the financial world. WFE Exchanges are home to nearly 46,000 listed companies (as of December 2009).

At the end of 2009:

- The total market capitalization listed companies was approximately USD 46.5 trillion, an increase of 43% as compared to 2008.
- Approximately USD 80.5 trillion in equities were traded on WFE stock exchanges, nearly 30% decrease from USD 113 trillion recorded in 2008, and decrease for the first time in seven years.
- More than 11 billion future and option contracts were traded on-exchange.

Media Contacts:

- WFE: Peter Clifford, +33 (0) 1 58 62 54 01, pclifford@world-exchanges.org, Sibel Yilmaz, +33 (0) 1 58 62 54 00, syilmaz@world-exchanges.org
- CBOE: Carol Kennedy, +1 (312) 786-7323, kennedyc@cboe.com
- Intermarket Communications: Andrew Yemma, +1-212-754-5450, ayemma@intermarket.com or Stephanie Dilorio, +1-212-754-5181, sdiiorio@intermarket.com

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