

Acknowledgements

Financial regulation has never been as complex and encompassing as it is today. Derivatives were identified as core contributors and catalysts to the last financial crisis and, as a result, they have been subject to a plethora of regulation, which has reshaped the way derivatives are considered, but not diminished their usage.

The core objective of the regulatory change was to ensure safe and stable financial markets, where no future State-funded bailout would be necessary. Yet, the risk to financial stability was not eliminated, but simply shifted to the central counterparty (CCP), and the likelihood of an intervention increased as each CCP represents an entity which is considered to be too-big-to-fail. As such, the reader must be asking right now: 'Well, have we made the financial markets safer, at the very least?' This is the question at the heart of the following discourse. It is my desire to give the reader all the information to answer this question for him- or herself. I have made my own decision.

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All errors remain my own.

Alexandra G. Balmer
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