

Box 1: Results of the Bank for International Settlements' (BIS) Triennial Central Bank Survey of Foreign Exchange and Over-the-Counter (OTC) Derivatives Markets in 2025

1. Introduction

The Bank for International Settlements' (BIS) triennial survey is a relevant source of information on the size, structure, and evolution of the global Over the Counter (OTC¹) non-standardized derivatives market, on Foreign Exchange (FX), and on Interest Rate Derivatives (IRDs²). The main objective of this survey is to quantify the size and composition of these markets worldwide, as well as to strengthen transparency and facilitate more accurate monitoring of activity trends in the international financial system. The information collected serves as a crucial input for central banks, other authorities, and market participants.

In 2025, the fourteenth edition of the survey was conducted, which was administered in a decentralized manner by the central banks and monetary authorities of each jurisdiction. These entities are responsible for collecting information from participating institutions and submitting the aggregated results to the BIS. In this edition, central banks and monetary authorities from 52 jurisdictions participated, gathering information from more than 1,100 banks and other financial intermediaries worldwide.

Colombia was once again selected to participate in the 2025 survey, and *Banco de la República* (the Central Bank of Colombia, *BanRep*), in its capacity as the foreign exchange authority, was responsible for its administration and for consolidating the results Locally. The data collection was carried out through a joint effort between *BanRep* and the Securities Market Self-Regulator (AMV in Spanish).

The survey is structured in two sections. The first addresses issues related to the trading and settlement of transactions, while the second focuses on the size of the exposure associated with these transactions. Specifically, the first section, conducted in April 2025,

¹ The over-the-counter (OTC) market is the market in which various financial instruments, such as forwards, swaps, or bonds, among others, are traded directly between two counterparties. In this market, the terms and characteristics of contracts are established bilaterally, in accordance with the specific needs and agreements of the parties involved.

² Interest rate derivatives are financial contracts whose value and cash flows are linked to the evolution of a reference interest rate or to another financial instrument based on interest rates.

measures market activity based on the nominal value of new deals agreed upon in both the spot foreign exchange market and the OTC derivatives market, as well as the market volume of IRDs. Additionally, this section provides information on the settlement and clearing mechanisms of transactions. The second section of the survey aims to measure the size of the OTC derivatives market based on the outstanding amount of open transactions as of June 2025. To this end, consolidated information is collected on the positions held by participating agents at the end of that month. The information from both sections is reported in millions of U.S. dollars (USD).

The objective of this box is to present the main results of the survey, both globally and for Emerging Market Economies (EMEs), with an emphasis on Latin America and Colombia. Additionally, a comparison is made between Colombia's results and those of the main EMEs, as well as with those obtained in previous editions of the survey. The box is organized into four sections. The first section corresponds to this introduction; the second presents the analysis corresponding to the first section of the survey; the third develops the analysis of the results corresponding to the second section; and the fourth presents the study's conclusions.

Overall, the results confirm that the global OTC foreign exchange derivatives market continued to grow in a context of high volatility in international financial markets. FX swaps consolidated their position as the most traded derivative instrument worldwide, followed by forwards. A significant increase was observed in trading volumes with non-banking financial institutions, whose share exceeded that of reporting institutions (mainly banks). In this context, the USD remained the dominant currency in foreign exchange market transactions (89.2%).

At the EMEs level, although a significant increase was recorded in their share in global trading, marked heterogeneity across regions persists. In particular, structural differences between Latin America and the markets of Asia and Central Europe stand out. In the former group, forwards continue to be the most widely used derivative instrument, with a trading structure characterized by short maturities and counterparties predominantly belonging to the financial sector. In contrast, the markets in Asia and Central Europe align with the international pattern of FX-swap use and a higher trading volume with other non-banking financial institutions, especially in the derivatives segment.

Locally, foreign exchange market activity increased significantly (47.9%), driven mainly by the expansion of the foreign exchange derivatives segment, particularly due to the increased dynamism of forward transactions. In this context, the average daily amount traded increased across all instruments, with a majority share of reporting dealers, which

accounted for 65% of total trading. In addition, high levels of participation by foreign agents were observed in a market characterized by a strong predominance of the USD, present in 99.7% of transactions.

In the OTC IRD market, the global average daily trading volume reached USD 7.9 trillion (t), with Overnight Index Swaps (OIS) as the predominant instrument. In this market, it is noteworthy that the euro (EUR) surpassed the USD's share in trading, following the replacement of USD London Interbank Offered Rates (LIBOR)-linked contracts with other IRD contracts denominated in EUR. In accordance with the BIS, IRDs maintained a dominant share within outstanding amounts globally, accounting for 79% of total notional value, compared to 21% for foreign exchange derivatives. The high concentration of activity in OIS reflects their consolidation as the main instrument for hedging and taking positions in interest rate risk, as well as their compatibility with central clearing. Likewise, the elimination of LIBOR and its replacement by alternative benchmark rates, particularly the euro short-term rate (€STR), drove a structural shift in derivatives markets that supported the euro as the predominant foreign currency in these instruments.

This market also recorded a significant increase in EMEs, reaching USD 0.5 t in 2025. However, unlike what has been observed globally, the OTC IRD market in these economies represents only 5.1% of the total OTC interest rate derivatives market. This limited development is partly related to the lower standardization of these instruments and to the high concentration of their clearing in the Central Counterparty Risk of Colombia (CCP in Spanish), located in advanced economies, particularly in the United States (U.S.) and the United Kingdom. However, the BIS highlights strong demand for these instruments for hedging purposes, in a context of uncertainty regarding monetary policy paths.

Locally, the increase in OTC IRD trading stands out (USD 4,775 million (m) in average daily volume in 2025, compared to USD 1,106 m in 2022), mainly associated with the trading of Non-Deliverable Forwards (NDFs) on Colombian government debt securities (TES, bonds issued by the Colombian Government), followed by OIS. These instruments, primarily used for hedging purposes, have significantly increased their share in recent years, in line with a more active participation by foreign agents. This dynamic may have been driven by expectations regarding TES appreciation and interest rate cuts in Colombia during the period under analysis.

Finally, the incorporation of a new section on settlement mechanisms reinforces the agenda for the development and deepening of the foreign exchange market in Colombia, where progress in the adoption of best practices and opportunities for improvement were identified. Locally, the results of this section show the use of

payment-versus-payment (PvP) clearing methods for most transactions carried out in the OTC IRD market. In contrast, in the foreign exchange derivatives segment, a significant proportion of transactions continue to be settled bilaterally, pointing to opportunities to strengthen counterparty risk mitigation mechanisms in this segment. These results are consistent with the international dynamics of transaction settlement, where most transactions are not channeled through CCPs. In this context, the global agenda aims to progressively move toward more robust clearing and settlement schemes, with the objective of reducing counterparty risk and strengthening the resilience of these markets.

2. Results of the First Section of the Survey: Trading and Settlement

2.1 Main Findings in the Global Market

2.1.1 Foreign Exchange Derivatives Market

Trading volume in foreign exchange markets, which includes both the spot market and foreign exchange derivatives markets, increased by 28.5% in nominal terms compared to the survey conducted in 2022. This growth was higher than that observed in the previous survey, when the volume increased by 13.5% relative to the 2019 results. In this context, the average daily amount traded in global FX markets reached USD 9.6 trillion (t) in April 2025, of which USD 3.0 t corresponded to spot market transactions and USD 6.6 t to derivatives market trading.

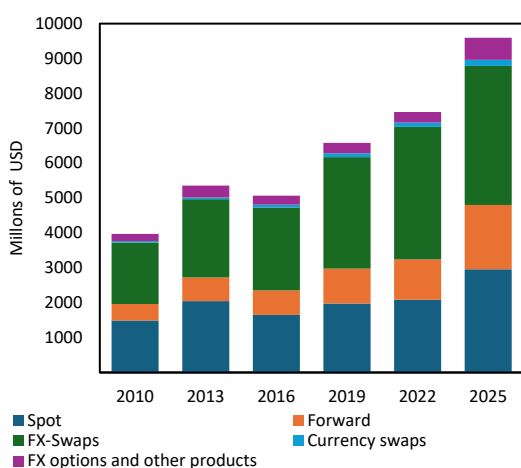
In accordance with BIS calculations, announcements regarding changes in U.S. trade policy in April 2025 had a significant impact on the increase observed in FX market activity between the 2022 and 2025 surveys. In particular, the survey was conducted in an environment of high volatility in international financial markets, stemming from trade tensions associated with economic policy announcements in the U.S.³, as well as from a weakening of the USD. According to the [BIS Quarterly Review of December 2025](#), these

³ April 02, 2025, became known as “Liberation Day,” as Donald Trump’s administration announced the imposition of more aggressive-than-expected global tariffs, broadly affecting global markets. Subsequently, some markets recorded a partial correction following the reversal of certain tariff measures. However, uncertainty surrounding a potential escalation in the trade war between the U.S. and China remained high (see [Box 1. Uncertainty in International Financial Markets amid U.S. Trade Policy, 1Q25 edition of this Report](#)).

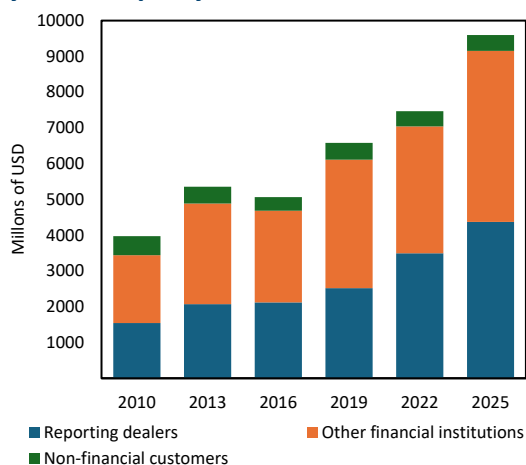
factors drove an increase in foreign exchange trading, contributing approximately USD 1.5 t in additional turnover to the total volume traded in April 2025⁴.

By instrument type, FX swaps⁵ once again consolidated their position as the most traded foreign exchange derivative, followed by forwards, options, and currency swaps⁶ (Graph B.1. 1). In turn, the foreign exchange spot market recorded a **42% growth over the same period**. FX swaps accounted for 41.5% of the FX market and recorded a 5.0% increase in trading volume compared with the previous survey. However, other instruments, although with a smaller relative share, exhibited higher growth rates between 2022 and 2025: forward transactions increased by 60%, options grew by 109%, and currency swaps by 39%.

Graph B.1.1. Evolution of Traded Amounts by Instrument



Graph B.1.2. Evolution of Traded Amounts by Counterparty



Source: BIS Triennial Survey.

Regarding counterparties, the largest trading volumes were conducted with non-banking financial institutions (49.8%), which recorded growth of 35% compared with the amount traded by these agents in 2022 (USD 4.8 t in 2025) (Graph B.1. 2). The increase in

⁴ However, it is worth noting that, in accordance with the BIS, the measurements corresponding to April 2022 may also have been influenced by an environment of high foreign exchange volatility, associated with the conflict between Russia and Ukraine, changes in expectations regarding the path of interest rates in the main advanced economies, as well as additional geopolitical tensions. Additionally, mobility restrictions resulting from the increase in Covid-19 cases in some survey-participating jurisdictions (such as China and Hong Kong) may also have affected the trading patterns observed during that period.

⁵ An FX swap consists of the purchase (sale) of a foreign currency in the spot market and the simultaneous sale (purchase) of the same forward foreign currency at a previously determined exchange rate at the time of negotiation.

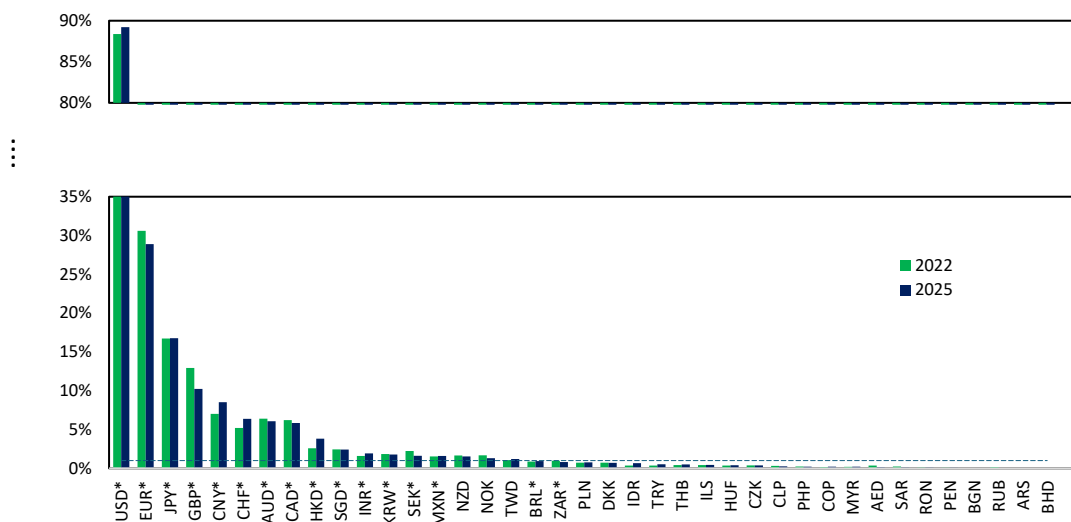
⁶ These are contracts in which two counterparties exchange interest payment flows in different currencies over an agreed period and/or exchange principal amounts in different currencies at an exchange rate agreed prior to maturity.

the share of this type of counterparty in recent years is mainly explained by speculation and arbitrage strategies. These agents have a predominant share in the spot, forwards, and options markets, while transactions between reporting institutions⁷ (mainly banks) continue to be the majority in the FX swaps and currency swaps segments.

With respect to maturities, derivative transactions remain concentrated in short-term horizons. In the 2025 survey, on average, 64% of forward transactions had maturities of less than one month, and 91% had maturities of less than three months. In the case of FX swaps, 80% of transactions had maturities of less than one month, and 93% had maturities of less than three months.

By currency, the USD remained the predominant foreign currency in FX transactions (Graph B.1. 3), accounting for 89.2% of transactions (compared to 88.4% in 2022), followed by other developed market currencies: the euro (EUR) (28.6% vis-à-vis 30.6%) and the Japanese yen (JPY) (16.8%).

Graph B.1.3. Share by Foreign Currency in Global Foreign Exchange Market Trading*



Source: BIS Triennial Survey. **Note:** Each foreign currency marked with * corresponds to the members of the Global Foreign Exchange Committee. On the other hand, the dotted line corresponds to 1.0% of global foreign currency trading.

Regarding the settlement of foreign exchange derivatives, the BIS notes that most of these transactions are neither cleared nor settled through CCPs and are therefore subject to counterparty risks. Within the BIS analysis, it is noted that, in the case of FX derivatives, most principal exchanges are conducted bilaterally, without resorting to risk

⁷ These are financial institutions, such as banks and corporations with significant foreign exchange and derivatives transactions, that report their foreign exchange and derivatives market transactions in the BIS Triennial Survey.

mitigation mechanisms. The BIS also points out that there are significant challenges in the adoption of best practices at the international level, which further limit the availability of high-frequency information that enables more precise and timely monitoring of the global foreign exchange market.

2.1.2 Interest Rate Derivatives Market

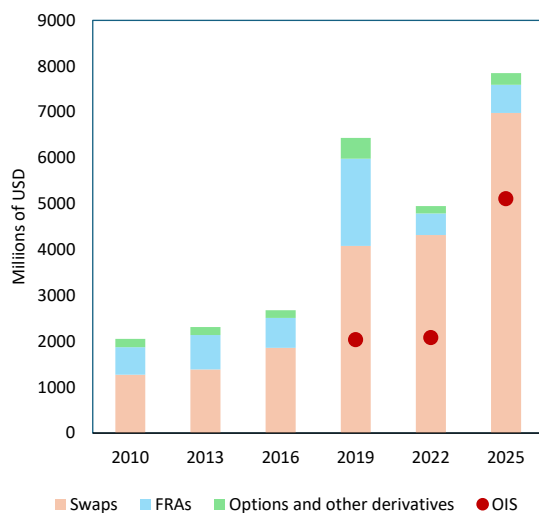
Regarding the OTC IRD market, the average daily trading volume reached USD 7.9 t in April 2025, representing a 59% increase compared to reports from the 2022 survey (USD 5 t) (Graph B.1. 4). This increase was largely associated with the replacement of the LIBOR benchmark rate, which drove greater use of IRDs for short-term interest rate hedging and to reflect monetary policy expectations. This structural shift favored other interest rate instruments that the market perceives as more robust amid episodes of international stress and uncertainty.

The predominant instrument in this market was OIS⁸, which reached a 65% share of total market trading, followed by other interest rate swaps and Forwards Rate Agreements (FRA)⁹. In particular, the average daily volume traded in OIS amounted to USD 5.1 t, mainly in contracts denominated in EUR, GBP, and JPY. FRAs also recorded a relevant market share, reaching an average daily volume of USD 0.62 t, in line with the replacement of USD LIBOR-referenced contracts by other risk-free interest rates associated with other foreign currencies. In turn, trading in interest rate options remained limited, representing approximately 3.0% of total transactions.

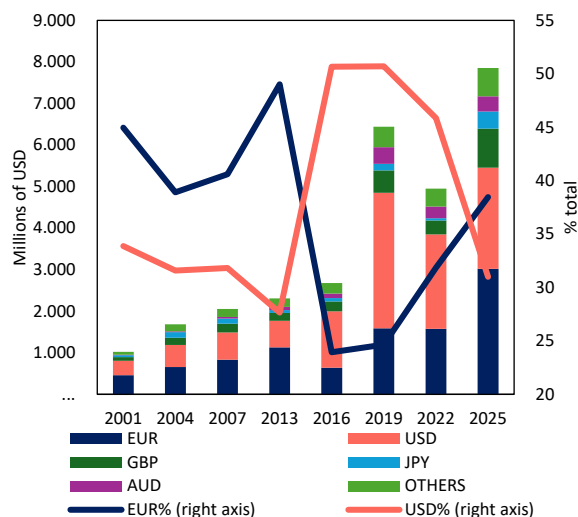
⁸ OIS are contracts through which two counterparties exchange periodic interest rate payments denominated in the same foreign currency. In these contracts, the flows may be fixed or may depend on a given overnight rate or an overnight index rate.

⁹ FRAs are forward interest rate contracts in which the rate applicable to a financial obligation corresponding to a specific period beginning in the future determined and fixed at the time the contract is executed.

Graph B.1.4. Distribution of OTC IRD Derivatives Amounts by Instrument



Graph B.1.5. Distribution of OTC IRD Derivatives Trading by Currency



Source: BIS Triennial Survey. **Note:** Data for OIS available since 2019. OIS are included in the swaps category, so they are presented as a dot within this bar, corresponding to the total level of OIS relative to total swaps.

Unlike what was observed in previous surveys, where the USD’s share was predominant in the OTC IRD market (46% in 2022 relative to 31% in 2025), the most widely used foreign currency during 2025 was the EUR (38%) (Graph B.1. 5). According to the BIS, this structural shift toward euro-denominated IRDs is mainly due to the elimination of LIBOR and its replacement by more robust benchmark rates. In particular, the adoption of near risk-free rates, such as the €STR promoted the use of instruments based on effective transaction volumes and facilitated their central clearing, thus supporting the predominance of the EUR in this segment. Other economies also benefited from the transition from LIBOR to alternative benchmark rates, although the impact was heterogeneous. In the United Kingdom, where the Sterling Overnight Index Average (SONIA) already had a deep market and a developed clearing infrastructure, the replacement of LIBOR reinforced an expansionary dynamic of pound sterling (GBP)-denominated IRDs. In Japan, while trading in Japanese yen (JPY)-denominated derivatives increased in percentage terms, the effect was more limited due to the lower prior use of LIBOR and a persistently low-interest rate environment, which moderates demand for hedging instruments. As a result, although the elimination of LIBOR benefited all these jurisdictions, the magnitude of the adjustment was particularly pronounced in the case of the EUR.

Finally, regarding settlement and clearing mechanisms, most of the transactions in the OTC IRD market were conducted through CCPs. This trend is consistent with the results observed in 2022, where central clearing continued to be the predominant channel, while

the proportion of bilateral transactions between reporting institutions and other financial institutions remained relatively limited.

2.2 Main Findings in Emerging Economies.

2.2.1 Foreign Exchange Derivatives Market

Emerging economy currencies recorded an increase in their share of FX market trading in 2025, led by the Chinese renminbi (CNY) and the Hong Kong dollar (HKD). The CNY positioned itself as the most traded emerging currency, accounting for 8.8% of global volume, and consolidated as the fifth most traded foreign currency internationally. On the other hand, the HKD reached a share of 3.8% global volume, compared to 2.6% recorded in 2022. According to the BIS, foreign exchange volatility drove greater dynamism in the CNY and HKD, by stimulating activity among intermediaries and hedge funds.

Latin American FX markets¹⁰ recorded a widespread increase in trading volumes compared to the 2022 survey, although with significant differences across countries (Graph B.1. 6). In particular, Mexico and Brazil accounted for a significant share of regional activity, in line with their larger market size and greater integration with international financial markets. While Colombia, Chile, and Peru presented relatively lower levels of activity, reflecting differences in market depth and liquidity, these markets also showed increases compared to the previous survey, suggesting a generalized expansion of foreign exchange activity in the region, although with a marked degree of heterogeneity.

Unlike the pattern observed internationally, where FX swaps are the predominant instrument, forwards maintain a higher relative share of total trading in most Latin American markets (Graph B.1. 7 - Panel A). An exception is Mexico, where a greater share of FX swaps is observed.

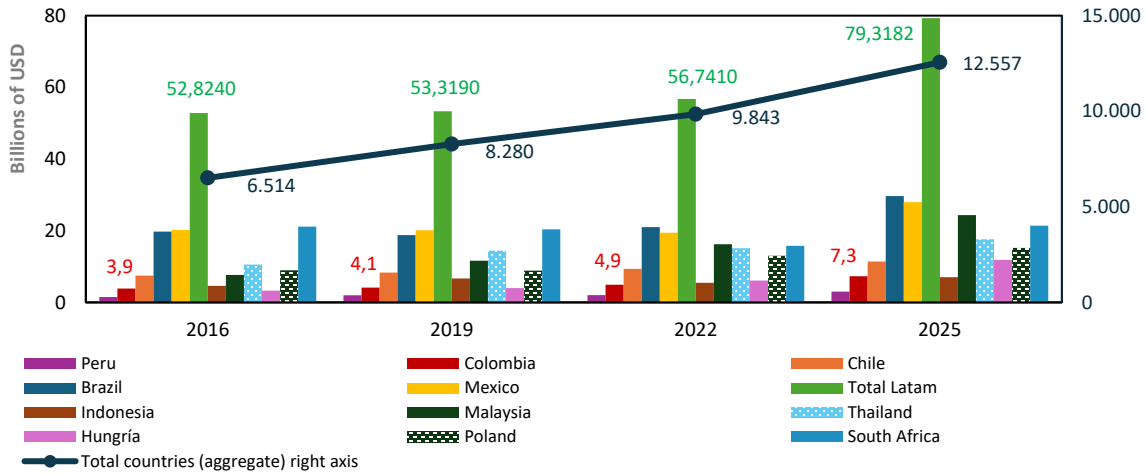
This regional performance also contrasts with that observed in other emerging markets included in the sample (such as Indonesia, Malaysia, Poland, Hungary, Thailand, and South Africa), where, in line with the global pattern, FX swaps hold a significantly larger share, consolidating as the primary traded instrument (Graph B.1. 7 - Panel B). This difference suggests a greater degree of depth and sophistication in certain emerging markets outside the region.

In general, Latin American markets exhibit lower trading volumes than those observed in emerging markets. This pattern is consistent with structural differences in market size

¹⁰ In calculating market shares, trades originating in regional countries are considered, that is, transactions carried out by reporting institutions in Mexico, Colombia, Peru, Chile, and Brazil.

and financial development and suggests that, while the region has made progress in deepening its foreign exchange activity, it still maintains a relatively smaller scale compared to certain emerging markets in Asia and Central Europe.

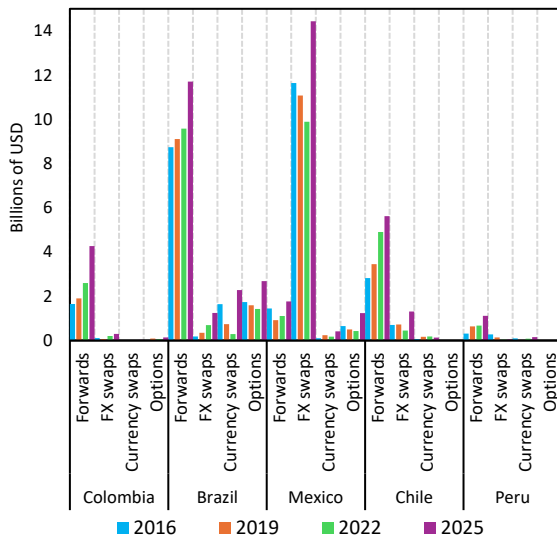
Graph B.1.6. Average Daily Trading in Latam’s Foreign Exchange Market - Total FX Market



Source: BIS. **Calculations:** Banrep.
Includes transactions for all foreign currency pairs.

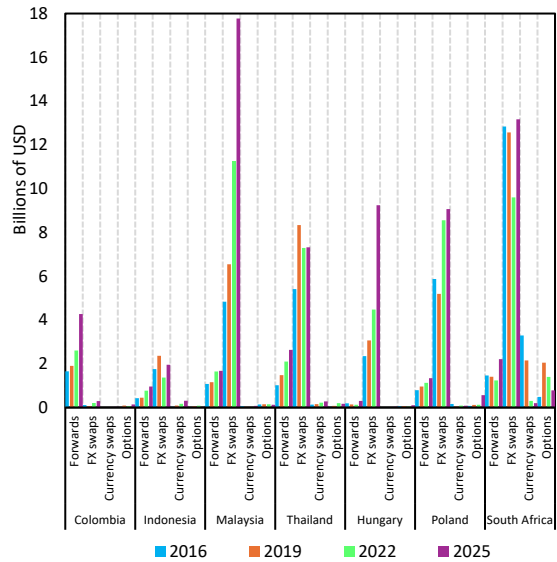
Graph B.1.7. Average Daily Trading in the Foreign Exchange Market (by Type of Instrument)

Panel A – Latam’s OTC Derivatives Market



Source: BIS. **Calculations:** Banrep.
Includes transactions for all foreign currency pairs.

Panel B - Emerging OTC Derivatives Market



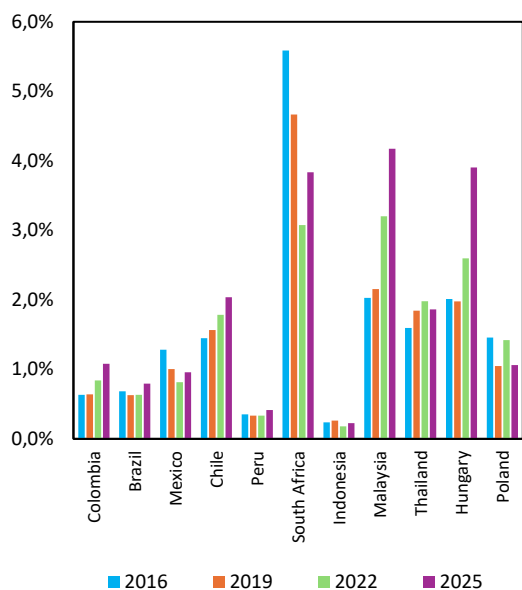
Source: BIS. **Calculations:** Banrep.
Includes transactions for all foreign currency pairs.

Relative to the size of their economies, and unlike previous analyses, it is observed that Mexico and Brazil do not record the highest levels of activity in the foreign exchange and OTC derivatives markets in Latin America (*Graph B.1. 8*). Specifically, Chile recorded the highest average daily volumes as a percentage of GDP, both in the spot market and in OTC derivatives, followed by Colombia, which also exhibits high activity levels, above those observed in Brazil and Mexico. In contrast, the latter showed intermediate trading levels relative to the size of their economies, while Peru maintained a lower share, reflecting structural differences in the degree of development and depth of foreign exchange markets in the region.

By extending the comparison to other emerging markets outside the region, a greater degree of heterogeneity in activity levels is observed. In particular, for 2025, Malaysia recorded the highest relative trading levels in the OTC derivatives market (*Graph B.1. 8 - Panel A*). In the spot market, leadership was concentrated mainly in Chile and Malaysia, both with high trading volumes as a percentage of GDP (*Graph B.1. 8 - Panel B*).

Graph B.1. 8. Average Daily Volume (as % of GDP)

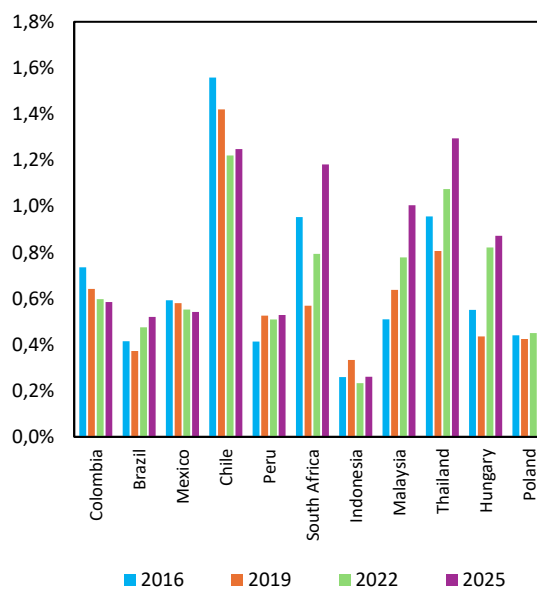
Panel A - OTC Derivatives Market



Source: BIS and the World Economic Outlook (IMF), October 2025.

Calculations: Banrep.

Panel B - Spot Market



Source: BIS and the World Economic Outlook (IMF), October 2025.

Calculations: Banrep.

Transactions with short- and medium-term maturities continue to account for a significant proportion of total trading. In forward transactions, trading is mainly concentrated in maturities of up to three months (*Graph B.1. 9*). However, significant

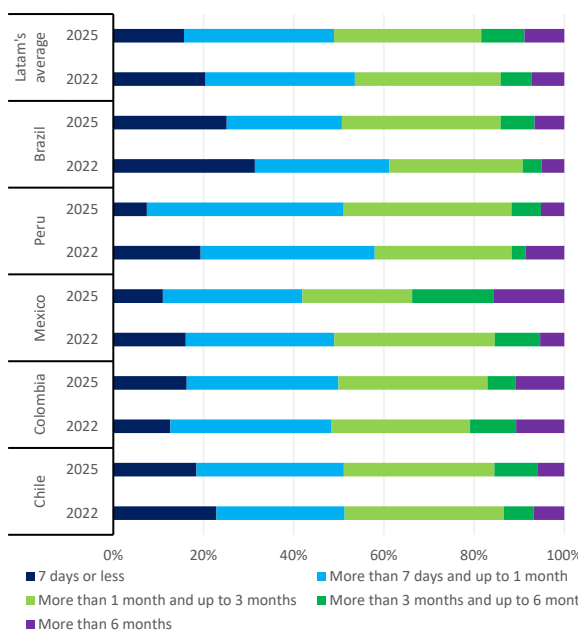
differences are observed across countries and by instrument type. In particular, in the FX swaps segment, there is a high concentration in very short-term maturities (up to seven days), along with differences between countries in the share of longer-term maturities. In this context, Brazil shows a higher relative share of transactions with maturities exceeding six months, while Colombia and Peru also record a higher presence of these maturities than Mexico, where longer-dated maturities maintain a smaller share.

This pattern is consistent with what has been observed in other emerging markets, where forward transactions are predominantly concentrated in short-term maturities (under one month). However, country-specific differences are evident; for example, in Thailand, most transactions are agreed at maturities between one and three months.

In the FX swaps segment, there is a strong concentration in very short-term maturities (up to 7 days). In this case, Colombia presents a differentiated dynamic, as transactions with maturities longer than seven days account for the majority of the trading volume.

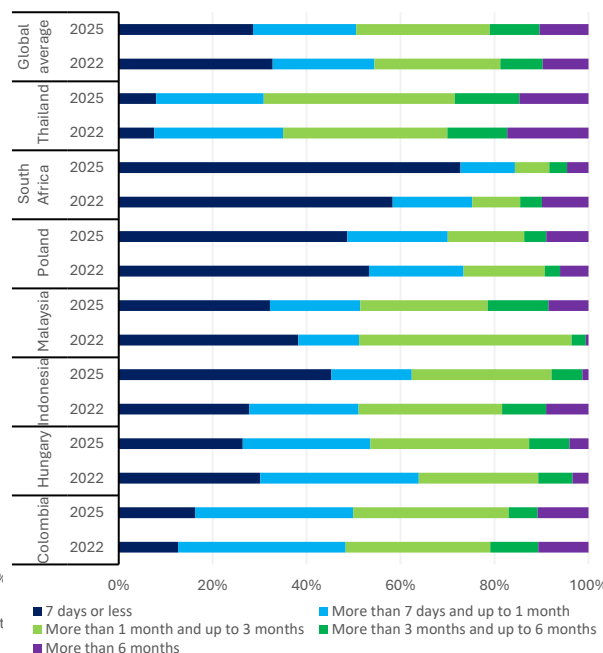
Graph B.1. 9. Share of Forward Transactions by Maturity

Panel A – Latam’s Transactions



Source: BIS. Calculations: Banrep.

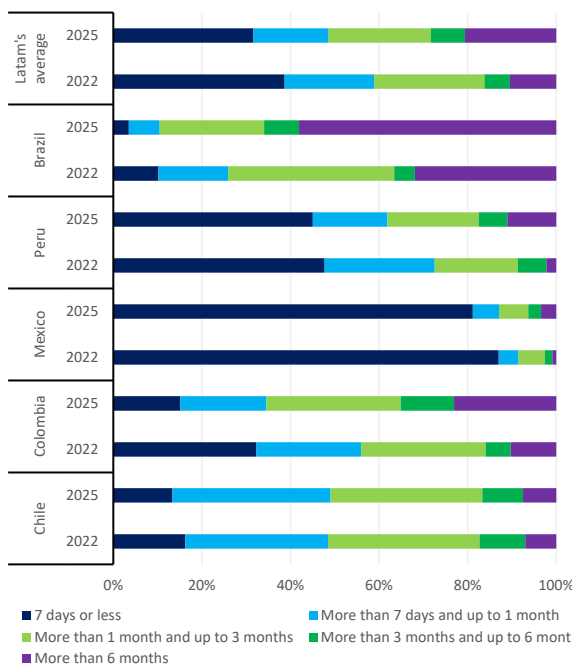
Panel B - Emerging Transactions



Source: BIS. Calculations: Banrep.

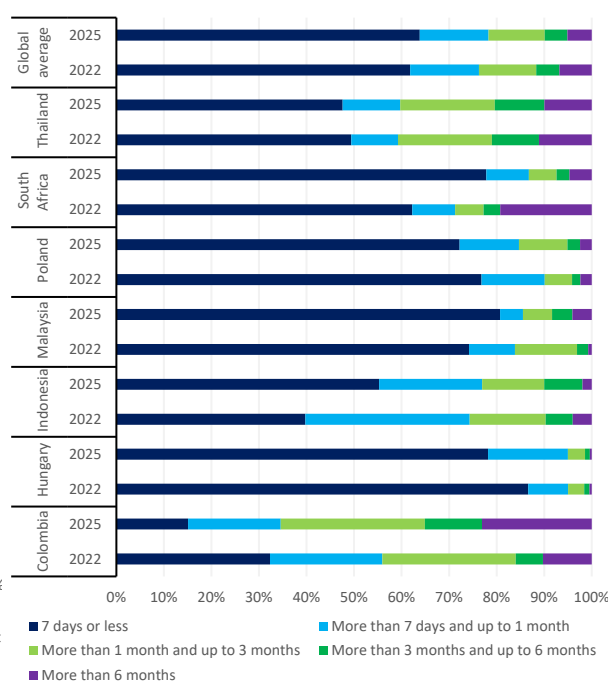
Graph B.1. 10. Share of FX Swap Transactions by Maturity

Panel A – Latam’s Transactions



Source: BIS. Calculations: Banrep.

Panel B - Emerging Transactions



Source: BIS. Calculations: Banrep.

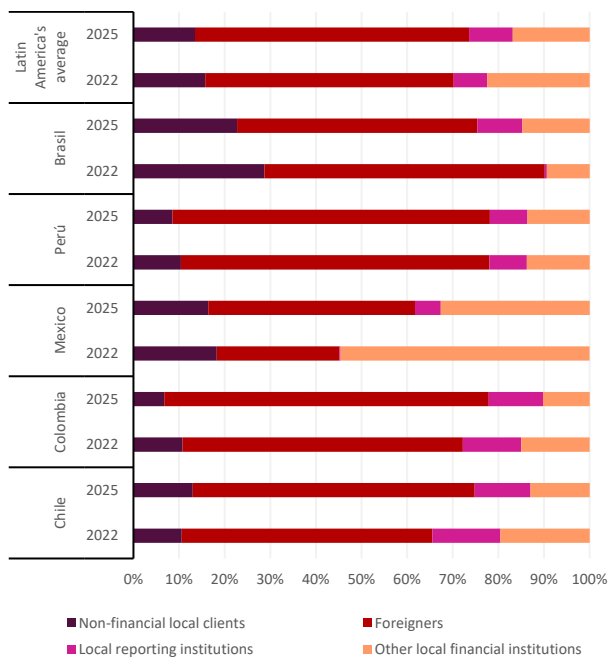
Regarding the type of counterparty, trading in Latin American markets was characterized by a high share of financial institutions and foreign agents, both in the spot and forward markets (*Graph B.1. 11*). This result contrasts with that observed in more advanced economies, where non-banking financial institutions have a higher share in foreign exchange trading.

In the region’s forward market, trading was conducted predominantly among financial intermediaries. This pattern is also observed in emerging markets. However, in the region, the concentration among financial intermediaries is more pronounced.

In contrast, in the region’s spot market, the participation of non-financial clients was relatively higher than in forward transactions. However, financial institutions, both local and foreign, continued to account for the largest proportion of traded amounts. Compared to emerging markets outside Latin America, that is, on average, a higher relative participation of non-financial clients.

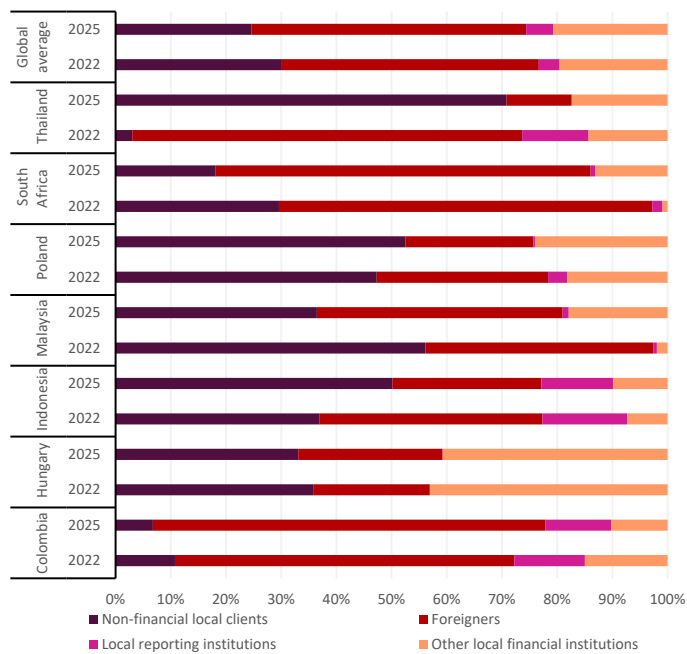
Graph B.1. 111. Share of Different Counterparties – Foreign Exchange Forward Transactions

Panel A – Latin America’s Transactions



Source: BIS. Calculations: Banrep.

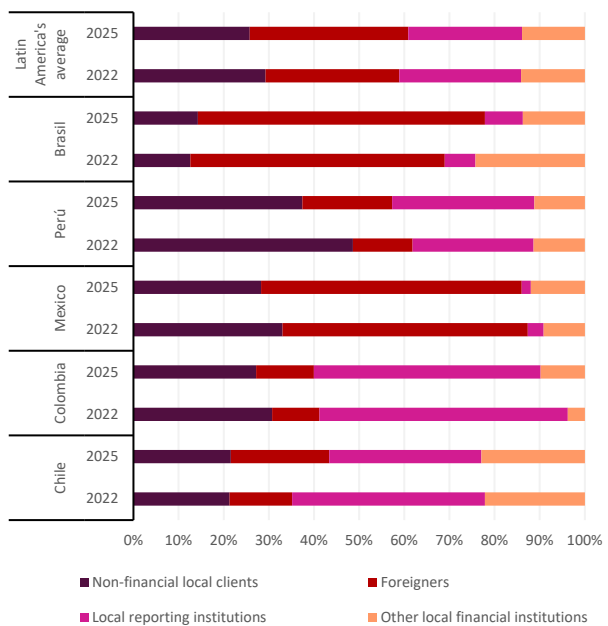
Panel B – Emerging Transactions



Source: BIS. Calculations: Banrep.

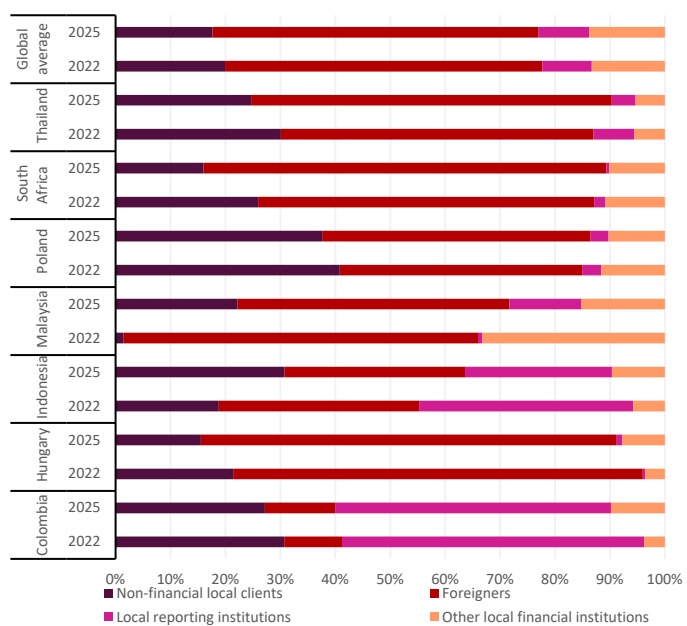
Graph B.1. 112. Share of Different Counterparties – Foreign Exchange Spot Transactions

Panel A – Latin America’s Transactions



Source: BIS. Calculations: Banrep.

Panel B – Emerging Transactions



Source: BIS. Calculations: Banrep.

2.2.2 Interest Rate Derivatives Market

In the OTC IRD market, emerging market economies (EMEs) accounted for a 5.1% share, compared to the 29% they account for in the foreign exchange derivatives market.

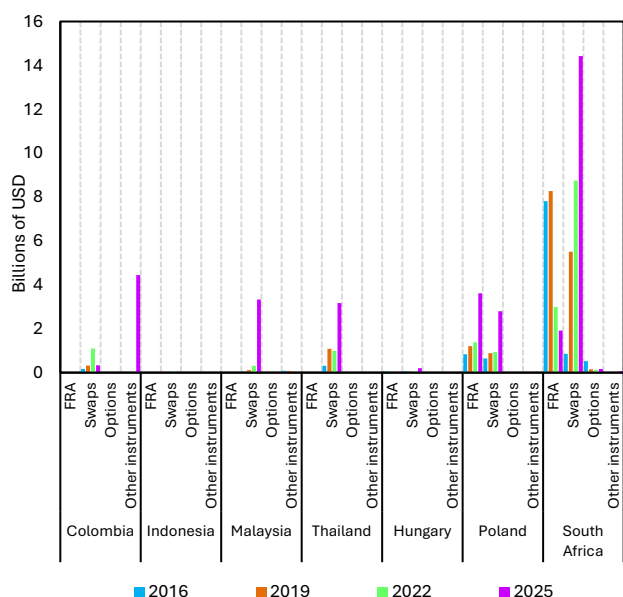
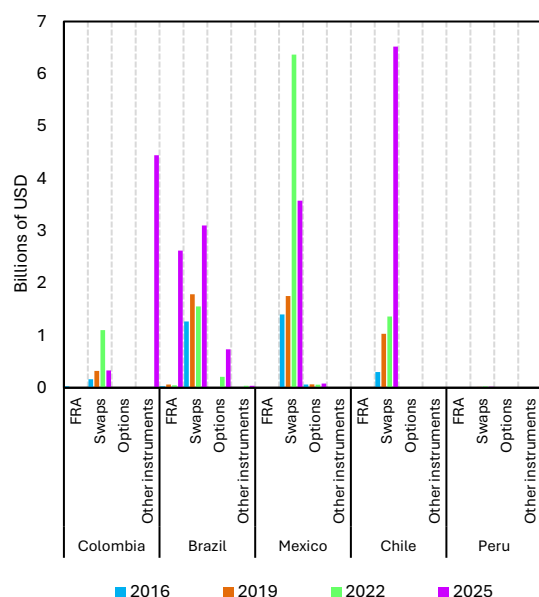
According to the survey, by 2025, EMEs reached an average daily trading volume of USD 0.5 t. Among emerging economy currencies, the South African rand (ZAR) remained the most traded foreign currency, followed by the CNY.

For regional countries, the average daily amount traded in these instruments increased by 99% compared to what was recorded in the 2022 survey. In this context, the Chilean and Colombian markets recorded the largest nominal increases in the region, rising 379% and 332%, respectively. In turn, Mexico’s OTC IRD market, which was the largest among its regional peers in 2022, recorded a 43% decline in the average daily traded amount.

Graph B.1. 113. OTC IRD Derivatives Market (by Instrument Type)

Panel A – Latin America’s Transactions

Panel B – Emerging Transactions



Source: BIS. Calculations: Banrep.

Source: BIS. Calculations: Banrep.

Includes OTC interest rate derivatives transactions denominated in a single foreign currency.

Includes OTC interest rate derivatives transactions denominated in a single foreign currency.

When analyzing the composition by instrument, it can be observed that, at the regional level, swaps remain the most traded interest rate derivatives in the OTC market (*Graph B.1. 13 Panel A*). However, in Colombia’s case, market growth was primarily driven by increased trading in “other instruments,” particularly Non-Delivery Forwards (NDF) on

Colombian government debt securities denominated in local currency (TES)¹¹, while swap trading declined relative to the results of the previous survey.

On the other hand, Latin American foreign currencies increased its share in this market, rising to 0.25% of global trading, up from 0.2% in 2022. Trading in Mexican pesos (MXN) increased to USD 29 t, in Chilean pesos (CLP), they grew by 200% to USD 12 t, and in the Brazilian real (BRL), they increased fivefold compared to 2022, reaching USD 9.2 t.

When analyzing the dynamics of other emerging markets, they exhibit an increase in swap trading (Graph B.1. 13 Panel B). Likewise, in economies such as Poland and South Africa, FRA contracts play a significant role in OTC IRD derivatives transactions. Finally, when comparing the evolution of these markets with the Colombian market, these exhibit greater depth and development.

2.3 Main Findings in the Colombian Market

2.3.1 Foreign Exchange Derivatives Market

For the measurement of Colombian trading volumes as of April 2025, within the 2025 Triennial Survey framework, 19 Foreign Exchange Market Intermediaries (FXIs)¹² participated. These institutions accounted for approximately 91% of the country's total FX market in 2024.

Locally, FX market activity reached a daily average of USD 7,293 million (m) in April 2025 (Graph B.1. 14), representing a 47.9% nominal increase compared to the average observed in April 2022 (USD 4,931 m). Of this amount, 35% was concentrated in the spot market, while 65% was in the derivatives market, with forwards accounting for 59% of trading activity.

In this context, the Colombian peso (COP) ranked as the 30th most traded currency worldwide, improving from 34th place in 2022. Its share in total global foreign exchange market volume increased from 0.18% to 0.21%, surpassing other emerging economy

¹¹ TES NDFs are derivative instruments through which the parties undertake to purchase or sell TES on a future date, at a price agreed upon on the contract's trading date.

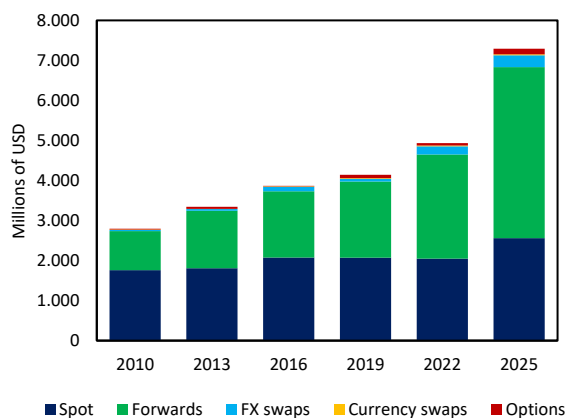
¹² Foreign Exchange Market Intermediaries (FXIs) are institutions authorized to trade foreign currency in the formal or regulated foreign exchange market, as well as to perform exchange transactions. Pursuant to Law 9 of 1991, these institutions are designated by the Board of Directors of *Banco de la República*, based on one of the following criteria:

i) regarding institutions overseen by the Financial Superintendency of Colombia (SFC in Spanish); and/or ii) regarding institutions whose exclusive corporate purpose consists of carrying out exchange transactions. Among other institutions, banking institutions, financial corporations, finance companies, financial cooperatives, and stock brokerage firms may register as foreign exchange market intermediaries.

currencies such as the Peruvian sol (PEN), the Malaysian ringgit (MYR), the United Arab Emirates dirham (AED), and the Russian ruble (RUB).

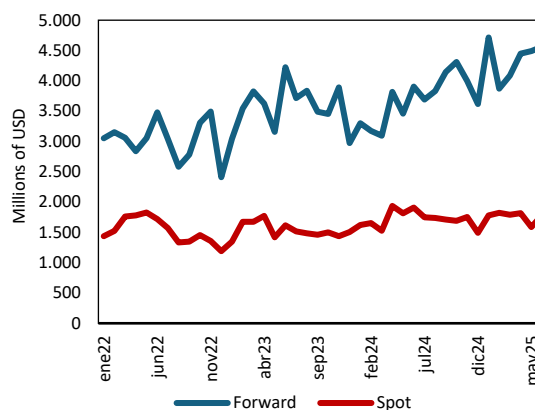
The average daily amount traded increased across all instruments relative to 2022, with a sustained growth in the derivatives market. In particular, the growth in forward transactions stands out, as volumes rose by 64.2%, from USD 2,601 m in 2022 to USD 4,272 m in 2025. As in the previous survey, spot transactions, together with forwards and FX swaps, remained the most traded instruments in the local foreign exchange market. It is worth noting that the increase in amounts traded in the derivatives market has been sustained in recent years, reflecting greater depth and dynamism in this segment (*Graph B.1. 15*).

Graph B.1. 114. Trading Distribution in the Colombian Foreign Exchange Market by Instrument



Source: BIS Triennial Survey.

Graph B.1. 115. Amounts Traded in the Foreign Exchange Market



Source: Trading and Registration Systems.

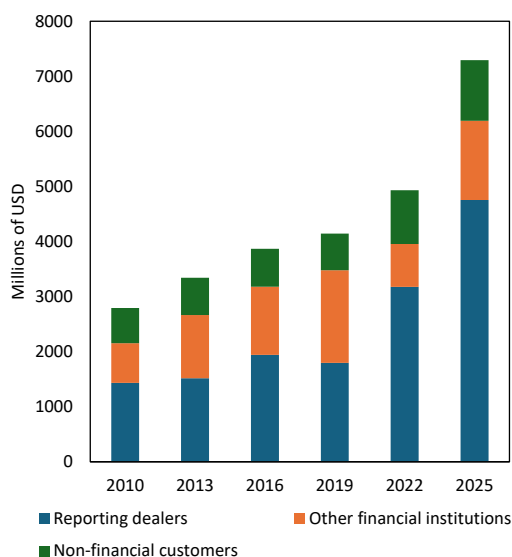
On the other hand, trading between reporting institutions¹³ continued to predominate in the market, accounting for a 65% share of total traded amount (*Graph B.1. 16*). When analyzing the evolution of foreign exchange market concentration among reporting institutions, it is observed that, between 2022 and 2025, the Herfindahl–Hirschman Index

¹³ These are financial institutions, such as banks and corporations with significant foreign exchange and derivatives transactions, that report their foreign exchange and derivatives market transactions in the BIS Triennial Survey.

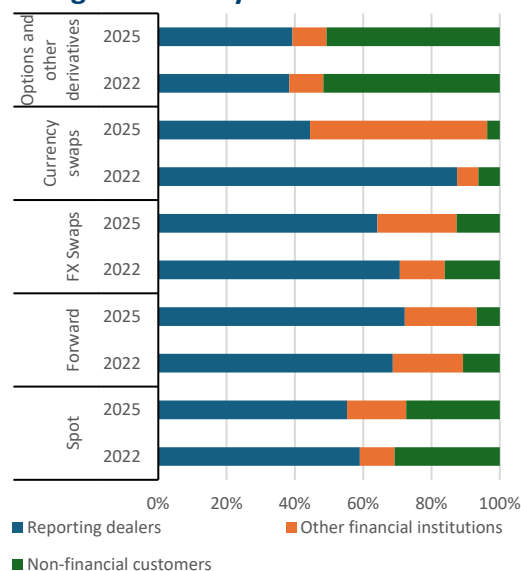
(HHI)¹⁴, used to measure the degree of market concentration, remained stable¹⁵, with four institutions accounting for nearly 57% of total traded volume.

Additionally, transactions with other financial institutions increased by four percentage points compared to 2022, reaching 20% of total trading, a moderate rise compared to that observed in the global foreign exchange market. By segment, the share of these counterparties increased unevenly: in the spot market, their share increased from 10% to 17%; in the forwards and options markets, it remained relatively stable; while in FX swaps and currency swaps, it recorded more pronounced increases, rising from 13% to 23% and from 6.0% to 52%, respectively (*Graph B.1. 17*).

Graph B.1. 116. Average Total Trading Amount in the Colombian Foreign Exchange Market, broken down by Counterparty



Graph B.1. 117. Counterparty Share Distribution in the Colombian Foreign Exchange Market by Instrument



Source: BIS Triennial Survey.

Among the other financial institutions trading in the foreign exchange market, it is notable that institutional investors hold the largest share in the spot market, whereas in the forward market, the segment of other institutions is split between non-reporting banks (50%) and institutional investors (43%). Particularly, in the spot market, institutional investors account for 59% of the market, followed by non-reporting banks at

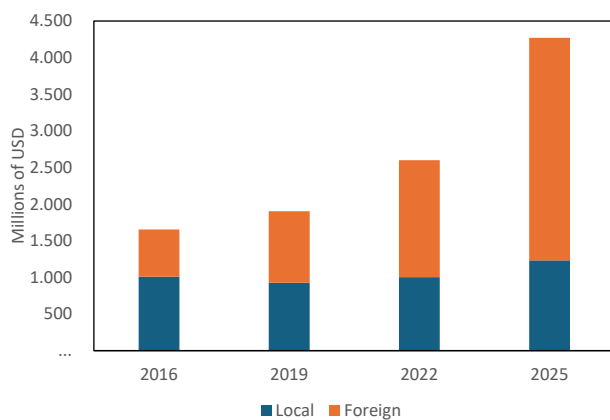
¹⁴ The HHI is calculated by summing the squares of each participating entity's share and total trading volume.

¹⁵ The value for 2025 totaled 1,104, while in 2022 it stood at 1,102. The maximum value for this index is 10,000, indicating a monopoly.

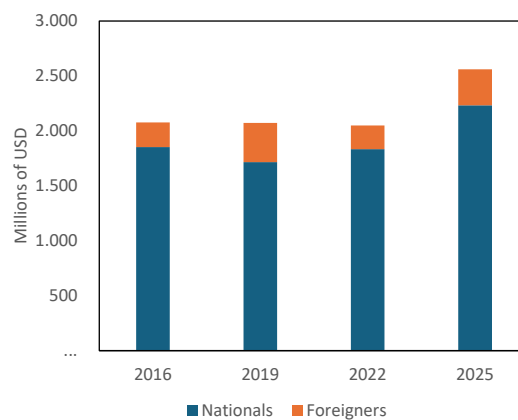
24%, and hedge funds at 12%. In the case of FX swaps, non-reporting banks predominate; meanwhile, for currency swaps and options, trading within the non-banking financial institutions segment is distributed among non-reporting banks, institutional investors, and hedge funds.

In the forward market, trading with foreign market participants increased from 61.5% in 2022 to 71.1% in 2025 (Graph B.1. 18), consistent with the trend observed since 2016, when this group accounted for 38.9% of total traded volume. In the spot market, foreign market participants also recorded an increase in this type of transaction, rising from 10.5% in 2022 to 12.8% in 2025 (Graph B.1. 19). However, transactions among local market participants continued to dominate this segment, with a share of 87.2% in the latest edition of the survey.

Graph B.1. 118. Forward Market Share by Counterparty Type



Graph B.1. 119. Spot Market Share by Counterparty Type

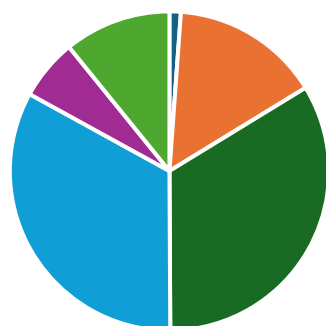


Source: BIS Triennial Survey.

In turn, the USD was involved in 99.7% of total transactions in the local foreign exchange market, with 96.41% corresponding to the USD/COP pair and 2.18% to the EUR/USD pair. In the case of options and currency swaps, all transactions were conducted on the USD/COP pair.

In line with global results, foreign exchange derivatives in Colombia are predominantly traded on short-term horizons. On average, 50% of forward transactions had maturities of less than one month, and 83% had maturities of less than three months (Graph B.1. 20). In turn, FX swap transactions were mainly concentrated in one- to three-month maturities: on average, 35% of transactions had maturities of less than one month, while 65% had maturities of less than three months (Graph B.1. 21).

Graph B.1. 20. Forwards Distribution by Maturity



Graph B.1. 21. FX Swaps Distribution by Maturity



Source: 2025 BIS Triennial Survey.

Regarding settlement mechanisms¹⁶, significant progress has been observed in risk mitigation in the Colombian foreign exchange market, reflected in a substantial proportion of transactions settled through central counterparties and external netting mechanisms. However, in line with the international context, there remain opportunities for improvement aimed at reducing bilateral settlement. Specifically, among transactions conducted in the Colombian foreign exchange market during April, most were settled through *payment-versus-payment*¹⁷ systems (49%), while 31% were settled through bilateral settlement. The use of bilateral settlement mechanisms entails significant risk for entities, as if one counterparty transfers funds before the other, it becomes exposed to default risk, which could result in the total loss of principal.

2.3.2 Interest Rate Derivatives Market

In the local OTC IRD market, an average of USD 4,775 m per day was traded in April 2025, compared to USD 1,106 m recorded in 2022. Activity was concentrated mainly in the *other instruments* category, followed by OIS (Graph B.1. 22). Within the other instruments category are *TES NDFs*¹⁸ transactions. According to (Botero Ramírez, Pérez Villalobos, & Barreto Ramírez, 2025), foreign investors have significantly increased their

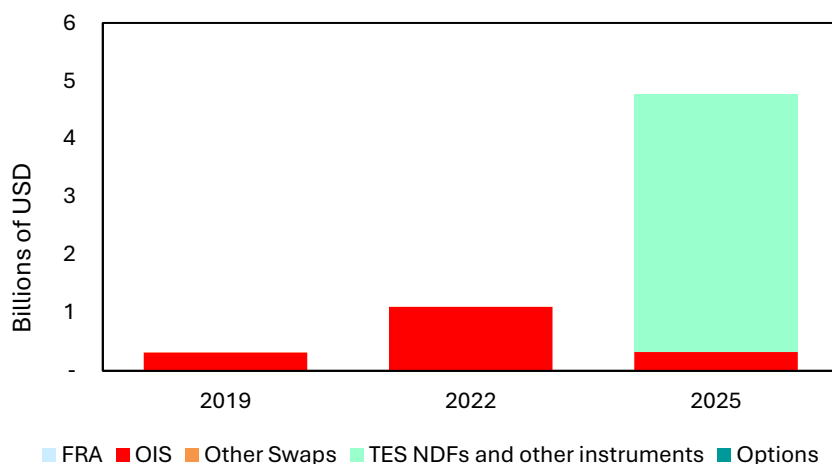
¹⁶ This new section aims to monitor the clearing and settlement mechanisms for transactions with the aim of promoting the adoption of best practices in the foreign exchange market and mitigating counterparty risk.

¹⁷ This settlement mechanism implies that both payments are executed simultaneously and subject to conditions. Specifically, it manages the flows so that if one of the counterparties fails to meet its payment obligation, the transaction is not settled, thereby eliminating the counterparty risk associated with settlement.

¹⁸ The growth observed in the “other instruments” category is not due to the absence of TES NDF transactions in previous years, but rather to the fact that such transactions were not reported during that period and have exclusively begun to be recorded as of the current year.

buying positions in TES NDFs since July 2023, rising from COP 4 t to COP 21 t by the end of 1Q25. This dynamic may be driven by expectations of TES appreciation and a downward trend in interest rates in Colombia.

Graph B.1. 22. Local OTC IRD Trading Amounts Distribution by Instrument



Source: BIS. Calculations: *Banrep*

The information includes the average daily trading volume of OTC interest rate derivatives across all foreign exchange.

Note: The increase in “other instruments” reflects the inclusion of reported TES NDFs transactions, which have not been recorded in previous years.

Meanwhile, although OIS remained the second-most-traded IRD instrument Locally, it recorded a significant decrease in April 2025 compared to April 2022. Compared to the previous survey, market participants shifted toward longer-maturity positions in OIS contracts¹⁹. By acquiring longer-maturity contracts, their portfolio sensitivity to interest rate changes, the Dollar Value of a Basis Point (DVO1²⁰) increased, enabling institutions to achieve the same level of risk exposure while requiring lower amounts. This adjustment translated into a decline in traded volume. Additionally, this decrease was associated with the appreciation of the COP between 2022 and 2025, which lowered USD-equivalent volume, given that these contracts are mostly traded with foreign counterparties (90%). In this regard, the smaller nominal volumes do not indicate a weaker appetite for the instrument or reduced interest rate hedging activity; rather, they reflect adjustments in

¹⁹ Data from the FX Trading Systems (TRS) show that the weighted average maturity of OIS transactions recorded in April 2022 was 361 days; meanwhile, it increased to 642 days in 2025.

²⁰ DV01 (Dollar Value of a Basis Point) measures the approximate change in the value of a bond or portfolio in response to a single basis point (0.01%) change in the interest rate of the underlying instrument.

nominal amounts resulting from higher contract sensitivity, aimed at maintaining risk exposure levels.

3. Results of the Second Section of the Survey: Outstanding Transaction Balances

3.1 Main Findings in the Global Market²¹

This section presents the main results of the global OTC derivatives market based on the information on outstanding balances collected by the BIS as of June 2025. According to the BIS (Bank for International Settlements (BIS), December 2025), these data correspond to the semiannual OTC derivatives statistics, whose coverage is expanded during years when the Triennial Survey is conducted. Likewise, they enable an assessment of the evolution and composition of outstanding balances worldwide²².

As of late June 2025, outstanding OTC derivatives balances continued to increase in terms of notional value, reaching historically high levels. In particular, a 16% growth was observed compared to June 2024, exceeding the 5.0% annual growth trend recorded since 2016. This dynamism reflects a greater use of derivative instruments for financial risk management amid trade uncertainty, changing monetary policy conditions, and geopolitical tensions.

From an instrument perspective, IRD derivatives maintained a dominant share of outstanding balances globally, accounting for 79% of total notional value. This result highlights the central role of these instruments in mitigating exposure to risks associated with interest rate fluctuations and yield curve movements. The strongest annual growth was observed in EUR-denominated IRDs (24%), which outpaced USD-denominated contracts, while the *other foreign exchange* segment expanded by 151% compared to June 2022.

Foreign exchange derivatives also recorded an increase in their outstanding balances (19%), although they maintained a structure characterized by a high concentration in

²¹ The main findings section for the global market regarding outstanding balances is based exclusively on information published by the BIS in its aggregated report, as disaggregated country-level results are not available for this section of the survey. Consequently, no specific information is available for Latin America. The information presented for Colombia regarding outstanding balances corresponds to data collected directly by *Banrep* within the BIS Triennial Survey framework, as of June 2025.

²² The survey is conducted semiannually for a group of 12 reporting countries, which together cover 65 large reporting institutions. To expand coverage, the survey is extended to 42 jurisdictions once every three years, and this additional information is used to interpolate and build semiannual statistics for outstanding balances.

short-term contracts. In particular, a significant share of the outstanding notional in the FX market corresponded to forwards and swaps with maturities of less than one year, consistent with the intensive use of these instruments for liquidity management and short-term exposure hedging.

Meanwhile, derivatives with underlying commodities, equity, and Credit Default Swaps (CDS) exhibited mixed performance. While commodity-based derivatives reversed their upward trend (except for gold) amid declining commodity prices, partly due to the war in Ukraine, CDS and equity derivatives increased their share of total outstanding balances. In the case of the latter, the stronger dynamism was associated with increased activity by other financial institutions.

3.2 Main Findings in the Colombian Market

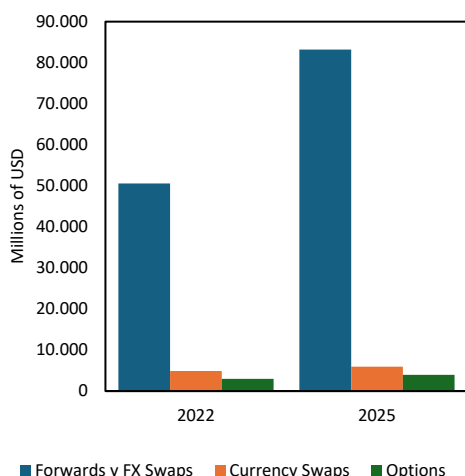
For the measurement of outstanding balances of derivative transactions as of June 2025, 9 FXIs participated in the case of Colombia. Since the information in this section is collected on a consolidated global basis, the sample consisted exclusively of domestic financial institutions with the highest levels of activity, which provided their consolidated balances (that is, including positions of their branch offices and subsidiaries abroad).

As for the Colombian foreign exchange market, outstanding balances increased as of June 2025 (36%), in line with the stronger dynamism and depth of the derivatives market. This increase in outstanding balances, which reached a total of USD 217,610 m, was mainly driven by the foreign exchange derivatives segment, which grew by 59% to USD 93,093 m.

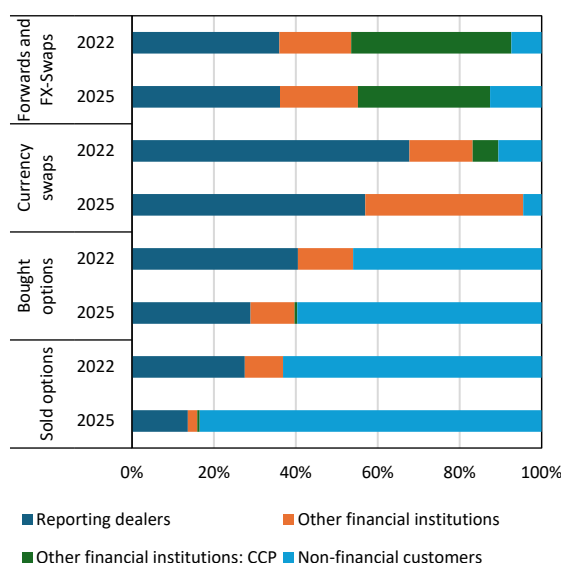
Within foreign exchange derivatives, the share of forwards and FX swaps stands out, while that of currency swaps and options remains limited (6.4% and 4.2%, respectively) (Graph B.1. 23). Forwards increased their share in the total, rising from 86.5% in 2022 to 89.4% in 2025, and recorded a 64.5% growth. In turn, currency swaps and options grew by 21.6% and 30%, respectively, reflecting the greater relative appeal of more standardized instruments compared with more complex instruments for managing foreign exchange hedges in the local market.

Most forward and FX swap transactions are conducted through central counterparties or executed between reporting institutions, in contrast to options, which are primarily traded with non-financial clients (Graph B.1. 24). When carrying out an analysis by counterparty on foreign exchange derivative instruments, it shows that standardized instruments are mainly traded with other financial institutions in the blind market, whereas for options, the largest share is driven by non-financial clients.

Graph B.1. 23. Outstanding Balances Distribution in the FX Market



Graph B.1. 24. Share by Market Participant and Instrument Type in the Foreign Exchange Derivatives Market



Source: BIS Triennial Survey.

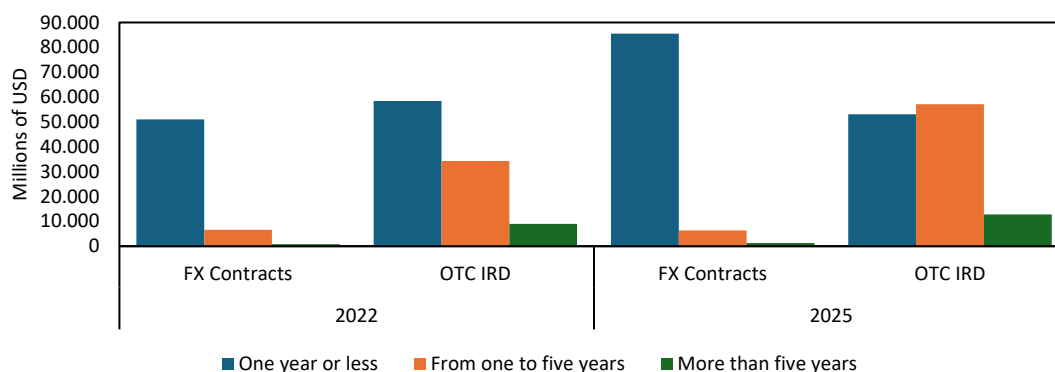
Meanwhile, the OTC IRD market grew by 22.5%, accounting for the largest share of total derivatives outstanding balances (57%). This segment is concentrated in swaps, which account for 98.5% of OTC IRDs in Colombia. According to market participants, the increase in outstanding balances on interest rate derivatives is related to hedging strategies. This increase was primarily observed in transactions with other financial institutions, particularly through central counterparties, while the share of other reporting institutions remained limited (10%).

It is worth noting that no derivatives on commodities, equity, or CDS were recorded during the period under analysis. Unlike global reports, there is no information on derivatives transactions on gold or other commodities in the local market. Additionally, no transactions were performed on equity or CDS.

The maturity breakdown of the derivatives market exhibited differences between foreign exchange derivatives and OTC IRDs (*Graph B.1. 25*). In particular, interest rate derivatives tend to be traded at longer maturities than those observed for foreign exchange derivatives. Specifically, outstanding balances in the foreign exchange derivatives market remain concentrated in short-term instruments (91%), in contrast to the OTC IRD market, where most instruments were traded at maturities between 1 and 5 years (46.5%), followed by those with maturities of less than one year (43.1%). This maturity distribution explains the gap between IRD outstanding balances and the

transactions recorded in this market during April 2025, since these balances include longer-term contracts, many of which were likely executed prior to the April survey.

Graph B.1. 25. Outstanding Balances Distribution by Maturity



Source: BIS Triennial Survey.

This structure is consistent with the findings from the trading section, as market participants primarily trade standardized instruments for foreign exchange hedging purposes. The foreign exchange derivatives market is primarily composed of forwards and swaps, while the OTC IRD market relies primarily on swaps. In this context, the IRD segment has more robust counterparty risk mitigation mechanisms, as most transactions are conducted through a central counterparty; meanwhile, the foreign exchange derivatives segment still faces challenges in adopting best practices to mitigate risks associated with clearing and settlement mechanisms.

4. Conclusions

The Triennial Survey coordinated by the BIS in April 2025 confirms the consolidation and expansion of the global foreign currency and non-standardized derivatives markets. The average daily trading volume reached USD 9.6 t, reflecting a 28% increase compared to the previous survey, and a greater diversification of traded foreign currencies was observed, with an increased share of emerging economy currencies.

In this context, Colombia reaffirmed its relevance in the international market. The Colombian foreign exchange derivatives market recorded a 48% increase in daily activity, positioning the COP as the thirtieth most traded currency worldwide. These results highlight the increasing sophistication and dynamism of the local foreign exchange market, as well as the ability of its participants to adapt to volatility and changes in the global economic environment. Compared to its Latin American peers, Colombia ranked second in terms of traded amount relative to GDP, both in the spot and OTC forward markets, as well as in the OTC IRD market, pointing to sustained development of foreign exchange market activity.

Locally, trading was concentrated mainly in short-term forwards, followed by spot market transactions. In both markets, activity was conducted primarily between reporting institutions. The share of foreign counterparties in the forward market increased from 61.5% to 71.1%, while local market participants continued to hold the largest share in the spot market (87%).

Meanwhile, in the OTC IRD market, the rise in average daily trading volumes was notable, reaching USD 4,775 m, compared to USD 1,106 m in 2022. This increase was mainly driven by the trading of Non-Deliverable Forwards on Colombian government debt securities denominated in local currency, followed by OIS trading.

Finally, the inclusion of a new section on settlement mechanisms allowed for the identification of both progress and challenges regarding counterparty risk mitigation in Colombia. Although a significant proportion of transactions carried out in April in the Colombian foreign exchange market was settled through payment-versus-payment (PvP) schemes (49%), the use of substantial bilateral mechanisms persists (31%). This contrasts with best practices in this market, which promote the use of market infrastructures, such as central counterparties and PvP systems, to settle all transactions. In this regard, the results suggest that, in line with the international market, the Colombian foreign exchange market still has room to advance in this direction in order to more effectively reduce counterparty and settlement risk, while strengthening its robustness, depth, and development.

In this regard, the results presented in this box support the agenda that *Banrep* has been promoting following the IMF technical assistance provided in 2024, aimed at deepening the development of the foreign exchange market and strengthening the adoption of best practices. In particular, the establishment of the [Local Foreign Exchange Committee of Colombia](#), jointly led by *Banco de la República* and the Securities Market Self-Regulator (AMV), facilitated the data collection for the survey. The active participation of this committee in the [Global Foreign Exchange Committee](#) also contributes to this effort aimed at improving coordination with market participants and advancing the adoption of international standards, in line with the principles of the [FX Global Code](#).

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