

Summary of Equivalence Determinations for Non-Cleared Margin Requirements

The below chart represents ISDA's high-level understanding of the current state of substituted compliance across the different margin jurisdictions with respect to one another. For more information on each, please reference Page 2. This content is subject to change.

		Jurisdiction/Regulator for which equivalence determination has been made																		
		Australia	Brazil	Canada (OSFI)	Canada (Quebec AMF)	EU	UK	Hong Kong (HKMA)	Hong Kong (SFC)	India (VM Only)	Japan	Mexico	Saudi Arabia*	Singapore	South Africa	South Korea	Switzerland	US (CFTC)	US (PR)	US (SEC)
Issuing Regulatory Jurisdiction	Australia	Green	Red	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Brazil	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Canada (OSFI)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Canada (Quebec AMF)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	EU	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	UK	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Hong Kong (HKMA)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Hong Kong (SFC)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	India (VM Only)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Japan	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Mexico	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Saudi Arabia*	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Singapore	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	South Africa	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	South Korea	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	Switzerland	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
	US (CFTC)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red
US (PR)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red	
US (SEC)	Green	Green	Green	Red	Green	Green	Green	Red	Green	Red	Red	Green	Red	Red	Green	Green	Green	Green	Red	

Key:	Fully Equivalent	Equivalent with Exceptions	No Equivalence	*Please note Saudi Arabia is a non-netting jurisdiction.
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DISCLAIMER: These charts provide summary information and are intended as an information resource only; they do not contain legal advice and should not be considered a guide to or explanation of all relevant issues or considerations in connection with the impact of margin rules on derivative transactions. You should consult your legal advisors and any other advisor you deem appropriate in considering the issues discussed in these charts. ISDA assumes no responsibility for any use to which any of these materials or any other documentation published by ISDA may be put.

Issuing Regulatory Jurisdiction	Jurisdiction/Regulator for which equivalence determination has been made	Equivalence Decision or Relevant Additional Information
Australia	Canada, EU, Hong Kong, Japan, Singapore, Switzerland, UK PRA UK FCA, US (PR), US (CFTC).	Substituted compliance is not permitted for a transaction where the APRA covered entity and the covered counterparty are both members of the same margining group. https://www.apra.gov.au/sites/default/files/2022-04/CPS%20226%20Margining%20and%20Risk%20Mitigation%20for%20non-centrally%20cleared%20derivatives%20-%20marked%20up.pdf , Page 27
Australia	Canada, EU, Hong Kong, Japan, Singapore, Switzerland, UK PRA UK FCA, US (PR), US (CFTC). APRA will also assess whether the US SEC's margin requirements should be recognized for substituted compliance.	https://www.apra.gov.au/sites/default/files/2022-04/CPS%20226%20Margining%20and%20Risk%20Mitigation%20for%20non-centrally%20cleared%20derivatives%20-%20marked%20up.pdf , Page 27
Brazil	Jurisdictions that meet the minimum standards established by BCBS-IOSCO.	Page 14, Chapter 4 of: Resolution CMN 4.662 (english) ; The margin requirements shall be considered met by a covered institution in transactions with foreign counterparties if the following conditions are satisfied: I. the covered institution is required to provide a margin for the covered transactions, as per article 7, in keeping with the requirements established in the regulations of the foreign jurisdiction in which its counterparty is incorporated; and II. the requirements established in the regulations of the foreign jurisdiction are compatible with the minimum standards established by the Basel Committee on Banking Supervision (BCBS) and by IOSCO.
Canada (OSFI)		OSFI guidance and equivalence decisions are granted on an individual-application basis and are not public. ISDA understands that OSFI has granted equivalence determinations to applicants in respect of the EU, US CFTC and USPR requirements.
Canada (Quebec AMF)	Jurisdictions that are deemed equivalent by the covered institution.	"The AMF permits covered institutions to comply with the margin exchange requirements applicable to their covered counterparties rather than the expectations set out in this guideline, insofar as the covered institutions deem those requirements to be equivalent. Although the AMF does not intend to validate the equivalence beforehand, it reserves the right to conduct an in-depth equivalence review as part of its supervisory actions. Therefore, the AMF expects covered institutions to document the requirements applicable to their counterparties where the covered institutions choose to comply with them." https://lautorite.gc.ca/en/professionals/insurers/guidelines/credit-market-and-insurance-risk/guideline-on-margins-for-over-the-counter-derivatives-not-cleared-by-a-central-counterparty
EU	Australia	Commission Implementing Decision (EU) 2021/1106 of 5 July 2021 on the recognition of the legal, supervisory and enforcement arrangements of Australia for derivatives transactions supervised by the Australian Prudential Regulation Authority as equivalent to certain requirements of Article 11 of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021D1106&qid=1625583932065
EU	Brazil	Commission Implementing Decision (EU) 2021/1103 of 5 July 2021 on the recognition of the legal, supervisory and enforcement arrangements of Brazil for derivatives transactions entered into by Brazilian institutions under the regulation of the Central Bank of Brazil as equivalent to certain requirements of Article 11 of Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021D1103&qid=1625583932065
EU	Canada (OSFI)	Commission Implementing Decision (EU) 2021/1104 of 5 July 2021 on the recognition of the legal, supervisory and enforcement arrangements of Canada for derivatives transactions supervised by the Office of the Superintendent of Financial Institutions as equivalent to certain requirements of Article 11 of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021D1104&qid=1625583932065
EU	Hong Kong (HKMA)	Commission Implementing Decision (EU) 2021/1107 of 5 July 2021 on the recognition of the legal, supervisory and enforcement arrangements of Hong Kong for derivatives transactions supervised by the Hong Kong Monetary Authority as equivalent to certain requirements of Article 11 of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021D1107&qid=1625583932065
EU	Japan	https://ec.europa.eu/info/files/emir-equivalence-decisions_en
EU	Singapore	Commission Implementing Decision (EU) 2021/1105 of 5 July 2021 on the recognition of the legal, supervisory and enforcement arrangements of Singapore for derivatives transactions supervised by the Monetary Authority of Singapore as equivalent to certain requirements of Article 11 of Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021D1105&qid=1625583932065
EU	US (CFTC)	Equivalency does not cover SEC-registered security-based swap dealers or security based swap participants (US CFTC), https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D1857&from=EN , page 2 paragraph 7
EU	US (CFTC)	Equivalency only applies to those OTC derivatives products that are subject to both EU and US CFTC regulations, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D1857&from=EN , page 3 paragraph 13
EU	US (CFTC)	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D1857&from=EN

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Switzerland	UK	Provisionally recognized: https://www.finma.ch/en/~media/finma/dokumente/dokumentencenter/myfinma/4dokumentation/finma-aufsichtsmittelungen/20190221-finma-aufsichtsmittelung-01-2019.pdf?la=en
Switzerland	US (CFTC)	https://www.finma.ch/en/~media/finma/dokumente/dokumentencenter/myfinma/4dokumentation/finma-aufsichtsmittelungen/20190924-finma-aufsichtsmittelung-03-2019.pdf?la=en
UK	EU	UK authorities are granting a partial equivalence decision in relation to the intragroup exemption in regard to activities subject to non-cleared margin requirements under EMIR (Article 11). With this decision, UK firms can seek or apply for an exemption from margin requirements for transactions with an EEA State entity in the same group. Granting this decision means these exposures can qualify as intragroup UK authorities https://www.gov.uk/government/publications/hm-treasury-equivalence-decisions-for-the-eea-states-9-november-2020/hm-treasury-equivalence-decisions-for-the-eea-states-9-november-2020 .
UK	EU	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/consultation-paper/2020/cp1320app8.pdf
UK	Japan	https://www.gov.uk/government/publications/ukjapan-agreement-for-a-comprehensive-economic-partnership-cs-japan-no12020
UK	US (CFTC)	https://www.cftc.gov/PressRoom/PressReleases/7876-19
US (CFTC)	Australia	https://www.cftc.gov/PressRoom/PressReleases/7902-19?utm_source=govdelivery
US (CFTC)	Japan	Original equivalence decision amended to include inter-affiliate swaps comparability. Japan is now fully equivalent. https://www.cftc.gov/PressRoom/PressReleases/7899-19 (Updated and amended as of 2019) Full original 2016 equivalence: https://www.cftc.gov/sites/default/files/idc/groups/public/@newsroom/documents/file/japanmargin_factsheet090816.pdf
US (CFTC)	EU	https://www.cftc.gov/PressRoom/PressReleases/pr7629-17
US (CFTC)	EU	"In my opinion, this broad comparability determination means that we will defer to our European counterparts when market participants elect to follow the EU's margin rules, even when transactions involve "NFC Minus" entities that are financial end-users under CFTC rules." https://www.cftc.gov/PressRoom/SpeechesTestimony/opagiancarlo34
US (CFTC)	UK	"Accordingly, DSIO will not recommend that the Commission take enforcement action against a swap dealer registered with the Commission if it relies on the EU Comparability Determinations during such transition period despite the fact that the UK is no longer a member of the EU...This DSIO relief in the event of a Soft Brexit will expire upon the earlier of (i) the effective date of any such technical amendments to the EU Comparability Determinations, or (ii) the expiration of the transition period during which the EU laws and regulations relevant to the EU Comparability Determinations continue to apply in the UK as if it were a member of the EU." [Please note that this relief expires on December 31, 2020, and the CFTC has extended this relief.] https://www.cftc.gov/system/files?file=cs/final/pdfs/19/19-08.pdf , https://www.cftc.gov/PressRoom/PressReleases/8320-20 , https://www.cftc.gov/csl/20-39/download
US (SEC)		"Rule 908(c) under Regulation SBSR permits the Commission to determine that participants in U.S. security-based swap markets may satisfy the security-based swap reporting and public dissemination requirements under Exchange Act sections 13(m) and 13A and the rules and regulations thereunder by complying with comparable non-U.S. requirements...Rule 0-13 under the Exchange Act describes the procedures for seeking a substituted compliance determination under Rule 3a71-6 and/or Rule 908(c). An application must be submitted to the Office of the Secretary either in paper or electronic format." https://www.sec.gov/page/exchange-act-substituted-compliance-and-listed-jurisdiction-applications-security-based-swap https://www.sec.gov/files/staff-guidance-substituted-compliance-applications.pdf https://www.sec.gov/files/information-memo-substituted-compliance-questionnaire.pdf
US (SEC)	UK	"IT IS HEREBY DETERMINED AND ORDERED, pursuant to rule 3a71-6 under the Exchange Act, that a Covered Entity (as defined in paragraph (g)(1) of this Order) may satisfy the requirements under the Exchange Act that are addressed in paragraphs (b) through (f) of this Order so long as the Covered Entity is subject to and complies with relevant requirements of the United Kingdom and with the conditions of this Order, as amended or superseded from time to time." Page 195: https://www.sec.gov/rules/other/2021/34-92529.pdf

Issuing Regulatory Jurisdiction	Jurisdiction/Regulator for which equivalence determination has been made	Equivalence Decision or Relevant Additional Information
US (SEC)	EU (Germany)	"IT IS HEREBY DETERMINED AND ORDERED, pursuant to rule 3a71-6 under the Exchange Act, that a Covered Entity (as defined in paragraph (f)(1) of this Order) may satisfy the requirements under the Exchange Act that are addressed in paragraphs (b) through (e) of this Order so long as the Covered Entity is subject to and complies with relevant requirements of the Federal Republic of Germany and the European Union and with the conditions to this Order, as may be amended or superseded from time to time." Page 42: https://www.sec.gov/rules/other/2020/34-90765.pdf
US (SEC)	EU (France)	"IT IS HEREBY DETERMINED AND ORDERED, pursuant to rule 3a71-6 under the Exchange Act, that a Covered Entity (as defined in paragraph (g)(1) of this Order) may satisfy the requirements under the Exchange Act that are addressed in paragraphs (b) through (f) of this Order so long as the Covered Entity is subject to and complies with relevant requirements of the French Republic and the European Union and with the conditions of this Order, as amended or superseded from time to time." Page 138: https://www.sec.gov/rules/other/2021/34-92484.pdf
US (SEC)	Switzerland	"IT IS HEREBY DETERMINED AND ORDERED, pursuant to rule 3a71-6 under the Exchange Act, that a Covered Entity (as defined in paragraph (e)(1) of this Order) may satisfy the requirements under the Exchange Act that are addressed in paragraphs (b) through (d) of this Order so long as the Covered Entity is subject to and complies with relevant requirements of the Swiss Confederation and with the conditions to this Order, as amended or superseded from time to time." Page 40: https://www.sec.gov/rules/other/2021/34-93284.pdf

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