



ISDA, SIFMA and FIA Comment on Enhanced Supplementary Leverage Ratio Reforms

NEW YORK, August 26, 2025 – The International Swaps and Derivatives Association, Inc. (ISDA), the Securities Industry and Financial Markets Association (SIFMA) and FIA have submitted a joint comment letter to the Federal Reserve, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency strongly supporting the proposed recalibration of the enhanced supplementary leverage ratio (eSLR) and related total loss-absorbing capacity (TLAC) and long-term debt (LTD) requirements.

“We fully support these policy goals – that is, helping to restore the eSLR to its proper role as a backstop to risk-based capital requirements and mitigating limitations on the ability of banking organizations to intermediate in US Treasury markets, which is particularly pressing given the impending industry move to mandatory clearing for US Treasuries,” ISDA, SIFMA and FIA wrote in the letter.

The associations emphasized the urgency of finalizing and implementing the rule no later than **January 1, 2026**.

Key points from the letter include:

- **Support for Proposal:** The recalibration would reduce the likelihood that the eSLR serves as a binding constraint, restoring its intended role as a backstop and enhancing participation in low-risk, high-volume activities such as US Treasury intermediation.
- **Market Functioning:** Properly calibrated leverage rules are essential to ensure liquidity and resilience in US Treasury markets, particularly as mandatory clearing expands.
- **Broader Framework Review:** The agencies should conduct a comprehensive review of the US regulatory capital framework to ensure it promotes growth, mitigates risks and reflects risk-reducing practices such as cross-product netting.
- **Further Enhancements:** The associations recommend recognition of cross-product netting under the standardized approach, consideration of reforms to Tier 1 leverage ratio requirements and elimination of redundant LTD requirements for US global systemically important banks.

The associations conclude that their recommendations would make the US regulatory capital framework more risk-sensitive, efficient and better aligned with broader economic policy objectives, stating: “We are strongly committed to maintaining the safety and efficiency of US financial markets and hope the agencies implement our recommendations, which reflect the extensive knowledge and experience of market professionals within the associations and our members. Our recommendations are designed to make the US capital framework more

risk sensitive to promote the functioning of the framework across market conditions and throughout the business cycle.”

The letter is available [here](#).

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 76 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association’s website: www.isda.org. Follow us on [LinkedIn](#) and [YouTube](#).

About SIFMA

SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

About FIA

FIA is the leading global trade organization for the futures, options, and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C. FIA’s mission is to support open, transparent, and competitive markets; protect and enhance the integrity of the financial system; and promote high standard professional conduct. FIA’s membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers.