



NEWS RELEASE
For Immediate Release

ISDA Publishes 2016 Variation Margin Protocol

NEW YORK, August 16, 2016 – The International Swaps and Derivatives Association, Inc. (ISDA) has today launched a new Protocol that will help market participants comply with new variation margin requirements, set to come into force from March 2017.

The ISDA 2016 Variation Margin Protocol enables counterparties to quickly and efficiently put contractual documentation in place with multiple counterparties in order to implement the requirements, or to make changes to existing collateral agreements to bring them into compliance.

“The new margin rules for non-cleared derivatives represent a huge change for the market, and will require firms to make important changes to their derivatives documentation to ensure they comply with the requirements in each jurisdiction. That could involve hundreds if not thousands of collateral agreements for large derivatives users. The ISDA 2016 Variation Margin Protocol is intended to allow those firms captured by the rules to make those changes as efficiently as possible,” said Scott O’Malia, ISDA’s Chief Executive.

Under a globally coordinated implementation schedule developed by the Basel Committee on Banking Supervision and the International Organization of Securities Commissions, financial firms with the largest derivatives portfolios globally are scheduled to exchange initial and variation margin on their non-cleared derivatives trades from September 1, 2016. Initial margin requirements will be phased in for other entities over a four-year period, but all firms under the scope of the rules will have to post variation margin from March 1, 2017. Several jurisdictions, including the US and Japan, have adhered to this international schedule.

The new Protocol is targeted specifically at the March 2017 ‘big bang’ implementation of variation margin rules. In order to complete the amendment process, parties will need to exchange questionnaires under the terms of the Protocol. The Protocol is now open for adherence on ISDA’s website, and an electronic version of the questionnaire will be available on ISDA Amend in October 2016.

The Protocol is open to both ISDA members and non-members. The text of the Protocol, guidance on the mechanics and a link for adherence, along with answers to frequently asked questions and a list of adherents, are available on the [Protocol Management section](#) of ISDA’s website.

The Protocol is part of ISDA's broader work to facilitate compliance with the new rules on margin for non-cleared derivatives. This includes the development of a standard initial margin model, or ISDA SIMM, alongside a transparent governance framework. ISDA has also published a series of margin-rule-compliant documents, including:

- The ISDA 2016 Credit Support Annex for Variation Margin (VM) (Security Interest – New York Law)
- The ISDA 2016 Credit Support Annex for Variation Margin (VM) (Title Transfer – English Law)
- The ISDA Regulatory Margin Self-Disclosure Letter (June 30, 2016)
- The ISDA 2016 Credit Support Annex for Variation Margin (VM) (Loan – Japanese Law)
- The 2016 Phase One IM Credit Support Deed (Security Interest – English Law)
- The ISDA 2016 Phase One Credit Support Annex for Initial Margin (IM) (Security Interest – New York Law)

These documents are available on the [ISDA Bookstore](#). Additional information is available on the [ISDA WGMR Implementation Initiative](#) webpage.

Further information on ISDA Amend, including presentations, documentation and audio playback, is available on the [ISDA Amend website](#). A webinar on ISDA Amend 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 850 member institutions from 67 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, 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 web site: www.isda.org.

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