

NEWS RELEASE  
For Immediate Release

## **ISDA Statement on the Revised Implementation Date for Non-Cleared Derivatives Margin Rules**

**NEW YORK, March 18, 2015** – The International Swaps and Derivatives Association, Inc. (ISDA) today published the following statement regarding the revised implementation date for non-cleared derivatives margin rules:

“ISDA very much welcomes the extension to the start date for non-cleared derivatives margin rules. The new rules will require firms to make significant changes to their infrastructure, technology, processes and documentation. Firms have been working hard to prepare for the rules, but the changes would have been all but impossible to complete by the original December 2015 effective date, particularly as final rules have not yet been published by US, European and Japanese authorities.

“While still challenging without final rules, the revised implementation date should give firms additional time to develop, implement and test new systems. We are grateful that regulators have listened to concerns expressed by ISDA and other market participants on this issue. We urge the national regulators to publish the final rules as soon as possible, and we look forward to working closely with the regulators over the coming months,” said Scott O’Malia, ISDA Chief Executive Officer.

### **Background**

The final framework for non-cleared derivatives margining was published in September 2013 by the Working Group on Margining Requirements (WGMR), a body jointly run by the Basel Committee on Banking Supervision and International Organization of Securities Commissions (IOSCO). European, Japanese and US authorities subsequently published proposed national rules in April, July and September 2014, respectively. Final national rules have not yet been published.

These proposals set a phased implementation schedule for initial margin, starting from December 1, 2015 for the largest derivatives users and extending through to December 2019. Variation margin requirements, however, were scheduled to come into force for all covered entities on December 1, 2015.

In its letters to the European Supervisory Authorities (July 14, 2014), the Basel Committee and IOSCO (August 18, 2014), and US Prudential regulators and the Commodity Futures Trading Commission (November 24, 2014), ISDA requested that the industry be given two years to prepare from the point that final regulations are published by US, European and Japanese authorities. ISDA also proposed a phased-in implementation for variation margin, starting with the largest and most systemically important derivatives users.

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ISDA has played a leading role in helping the industry prepare for non-cleared margin rules through its ISDA WGMR implementation effort. A major part of the initiative is the development of a standard model for calculating initial margin, called the ISDA SIMM. ISDA has been working to revise standard collateral documentation so it is compliant with the new margin rules, as well as develop and define standard business and technology practices for margin calculations, notifications and settlement, collateral eligibility and segregation.

Details about ISDA's WGMR initiative, as well as an ISDA webcast on the topic, can be found on the ['ISDA WGMR Implementation' section of the website](#).

**For Press Queries, Please Contact:**

Lauren Dobbs, ISDA New York, +1 212 901 6019, [ldobbs@isda.org](mailto:ldobbs@isda.org)

Nick Sawyer, ISDA London, +44 203 088 3586, [nsawyer@isda.org](mailto:nsawyer@isda.org)

Donna Chan, ISDA Hong Kong, +852 2200 5906, [dchan@isda.org](mailto:dchan@isda.org)

**About ISDA**

Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 67 countries. These members include a broad range of OTC 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 including exchanges, clearinghouses 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](http://www.isda.org).

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