

MEMO# 32351

April 3, 2020

BCBS and IOSCO Announce Deferral of Final Implementation Phases of UMR

[32351]

April 3, 2020 TO: ICI Members

ICI Global Members

Derivatives Markets Advisory Committee

ICI Global Regulated Funds Committee

ICI Global Trading & Markets Committee

Securities Operations Advisory Committee SUBJECTS: Compliance

Derivatives

International/Global

Investment Advisers

Operations

Trading and Markets RE: BCBS and IOSCO Announce Deferral of Final Implementation Phases of UMR

As you know, ICI recently joined the International Swaps and Derivatives Association (ISDA) and other trade associations in a letter ("Joint Trade Association Letter") to the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) requesting that BCBS and IOSCO issue an immediate, public recommendation to global regulators to suspend the compliance dates for implementation of Phases 5 and 6 of the regulations on margin for non-centrally cleared derivatives (UMR).[\[1\]](#) The extension was requested in light of the significant challenges industry participants face, as a result of the COVID-19 pandemic, in meeting the existing Phase 5 and Phase 6 UMR compliance dates.

BCBS and IOSCO have issued a press release[\[2\]](#) announcing that they have agreed to extend the deadline for completing the final two implementation phases of UMR by one year. The extension will result in the Phase 5 compliance date being delayed to September 1, 2021, and the Phase 6 compliance date being delayed to September 1, 2022. BCBS and IOSCO explain that the extension will provide additional operational capacity for firms to respond to the immediate impact of COVID-19 and, at the same time, facilitate covered entities acting diligently to comply with the requirements by the revised deadlines. BCBS and IOSCO have published a revised version of the margin requirements to reflect the deadline extension.[\[3\]](#)

As explained in the Joint Trade Association Letter, it will now be necessary for global

regulators to make conforming amendments or take other actions as necessary to effect this decision in their respective jurisdictions.

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endnotes

[1] See ICI Memorandum No. 32323 (March 26, 2020), *available at* https://www.ici.org/my_ici/memorandum/memo32323.

[2] *Available at* <https://www.bis.org/press/p190723.htm>.

[3] See <https://www.bis.org/bcbs/publ/d475.htm>.

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