

MEMO# 32664

August 6, 2020

ICI Joins Letter to CFTC Supporting Deferral of Phase 5 and Phase 6 Compliance Dates for Margin Requirements for Non-Cleared Swaps

[32664]

August 6, 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: ICI Joins Letter to CFTC Supporting Deferral of Phase 5 and Phase 6 Compliance Dates for Margin Requirements for Non-Cleared Swaps

On August 5, ICI joined the International Swaps and Derivatives Association (ISDA) and other trade associations in submitting the attached letter to the Commodity Futures Trading Commission (CFTC). The letter expresses appreciation and support for the CFTC's:

- interim final rule to defer the Phase 5 compliance date for initial margin requirements for non-cleared swaps for an additional year until September 1, 2021;[\[1\]](#) and
- proposed rule to defer the Phase 6 compliance date for initial margin requirements for non-cleared swaps for an additional year to September 1, 2022.[\[2\]](#)

The letter emphasizes that these deferrals are necessary to give market participants additional time to implement the initial margin requirements in light of the global COVID-19 pandemic. The letter states that current implementation efforts have been severely impacted due to related personnel, systems and other issues. Although market participants have adjusted their working conditions, the letter further notes that the additional time will help to mitigate the unpredictable length and severity of the pandemic to their operations.

The letter also expresses support for the CFTC's forthcoming proposed amendments to the margin requirements that CFTC staff discussed during the July 22 open meeting. These proposed amendments are based on recommendations that the CFTC Global Markets Advisory Committee's Margin Subcommittee issued in May.^[3]

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[Attachment](#)

endnotes

[1] See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 85 FR 41346 (July 10, 2020), *available at* <https://www.cftc.gov/sites/default/files/2020/07/2020-12033a.pdf>.

[2] See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 85 FR 41463 (July 10, 2020), *available at* <https://www.cftc.gov/sites/default/files/2020/07/2020-14254a.pdf>.

[3] See ICI Memorandum No. 32474, CFTC's GMAC Margin Subcommittee Issues Report on Implementation of Initial Margin Requirements for Non-Cleared Swaps, *available at* https://www.ici.org/my_ici/memorandum/memo32474.