

**MEMO# 32837**

October 16, 2020

# **CFTC Extends Phase 6 Compliance Date for Margin Requirements; Amends Position Limits Rules**

[32837]

October 16, 2020 TO: ICI Members

ICI Global Members

Derivatives Markets Advisory Committee

ICI Global Trading & Markets Committee

LIBOR Transition Working Group SUBJECTS: Compliance

Derivatives

International/Global

Investment Advisers

Trading and Markets RE: CFTC Extends Phase 6 Compliance Date for Margin Requirements; Amends Position Limits Rules

On October 15, the Commodity Futures Trading Commission (CFTC) unanimously voted in an open meeting to defer Phase 6 compliance with its margin requirements for uncleared swaps for an additional year to September 1, 2022.<sup>[1]</sup> The CFTC's deferral is consistent with the current implementation framework set forth by the Basel Committee on Banking Supervision and the Board of the International Organization of Securities Commissions ("BCBS-IOSCO") and a similar deferral adopted by US prudential regulators earlier this year.<sup>[2]</sup> The CFTC's voting draft is available at <https://www.cftc.gov/media/5056/votingdraft101520MarginRequirements/download>.

## **CFTC Amendments to Position Limits Rules**

At the open meeting, by a 3-2 vote, the CFTC also adopted long-awaited amendments to its regulations on speculative position limits. A summary of the amendments and the CFTC's voting draft of the amendments are available at <https://www.cftc.gov/PressRoom/PressReleases/8287-20>.

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## endnotes

[1] We previously joined several other trade associations in submitting a letter to the CFTC expressing support for deferring the Phase 6 compliance date for an additional year. See ICI Memorandum No. 32664 (Aug. 6, 2020), *available at* [https://www.ici.org/my\\_ici/memorandum/memo32664](https://www.ici.org/my_ici/memorandum/memo32664).

[2] BCBS-IOSCO previously amended its uncleared swaps margin framework to extend the deadline for completing Phase 5 and Phase 6 implementation by one year. See ICI Memorandum No. 32351 (Apr. 3, 2020), *available at* [https://www.ici.org/my\\_ici/memorandum/memo32351](https://www.ici.org/my_ici/memorandum/memo32351). In June, the US prudential regulators issued an interim final rule to adopt similar Phase 5 and Phase 6 extensions. See ICI Memorandum No. 32559 (June 26, 2020), *available at* [https://www.ici.org/libor/ici\\_resources/memos/memo32559](https://www.ici.org/libor/ici_resources/memos/memo32559). The CFTC previously issued a separate interim final rule deferring Phase 5 compliance for an additional year until September 1, 2021. See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants; Proposed Rule (July 10, 2020), 85 FR 41346, *available at* <https://www.cftc.gov/sites/default/files/2020/07/2020-12033a.pdf>.

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