Letter

Title	Margin Requirements for Non-Centrally Cleared Derivatives – Letter (2020)
Category	Sound Business and Financial Practices
Date	March 11, 2020
Sector	Banks Foreign Bank Branches Life Insurance and Fraternal Companies Property and Casualty Companies Trust and Loan Companies

To: Banks, Foreign Bank Branches, Bank Holding Companies, Trust and Loan Companies, Life Insurance Companies, Property and Casualty Insurance Companies, Insurance Holding Companies

OSFI is issuing a revised version of Guideline E-22, which is effective immediately. The revisions consist of two changes: (1) a clarification on the treatment of securities issued by entities that receive capital support from the US government, and (2) the extension of the final implementation of the initial margin requirements by one year.

The extension of the final implementation of the initial margin requirements is in line with the internationally agreed upon one-year extension*Basel Committee and IOSCO agree to one-year extension of the final implementation phase of the margin requirements for non-centrally cleared derivatives*, July 23, 2019 https://www.bis.org/press/p190723.htm.. With this extension, the final implementation phase will take place on September 1, 2021.

Questions on the revised guideline should be sent to Patrick Tobin, Capital Specialist, Capital Division by email (Patrick.Tobin@osfi-bsif.gc.ca).

Yours truly,

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Assistant Superintendent

Regulation Sector