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## **CFTC Approves a Final Rule to Amend Uncleared Swap Margin Requirements**

**Washington, DC** — The Commodity Futures Trading Commission (CFTC) announced today that it has approved a final rule to amend its uncleared swap margin requirements (CFTC Margin Rule) to better align with certain rules (QFC Rules) adopted by the Board of Governors of the Federal Reserve System (FRS), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) that impose restrictions on certain qualified financial contracts.

This final rule is consistent with [rule changes](#) recently adopted by the Prudential Regulators to the Prudential Margin Rule and addresses suggestions received as part of the CFTC's [Project KISS](#) initiative for the CFTC to harmonize its uncleared swap margin regime with that of the Prudential Regulators.

The final rule amendments are effective 30 days after the publication date in the Federal Register.

The amendments ensure that master netting agreements are not excluded from the definition of “eligible master netting agreement” under the CFTC Margin Rule based solely on such agreements’ compliance with the QFC Rules. They also ensure that any legacy uncleared swap that is not subject to the CFTC Margin Rule would not become so subject if it is amended solely to comply with the QFC Rules.

The CFTC is required to establish margin requirements for uncleared swaps for all CFTC registered swap dealers (SD) and major swap participants (MSP) for which there is not a Prudential Regulator (i.e. the FRS, FDIC, OCC, Farm Credit Administration, and Federal Housing Finance Agency). The Prudential Regulators impose similar margin requirements on SDs and MSPs for which there is a Prudential Regulator in their margin rule (Prudential Margin Rule).

The CFTC Margin Rule was issued in January 2016 and establishes minimum requirements for SDs and MSPs to collect and post initial and variation margin for certain swaps that are not cleared by a registered derivatives clearing organization or a derivatives clearing organization that the CFTC has exempted from registration. The CFTC Margin Rule is designed to help ensure the safety and soundness of SDs and MSPs while being appropriate for the risk associated with the uncleared swaps.