

Press Release

SEC Proposes Rule Amendments and New Rule to Improve Risk Management and Resilience of Covered Clearing Agencies

FOR IMMEDIATE RELEASE

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Washington D.C., May 17, 2023 — The Securities and Exchange Commission today proposed rule changes that would improve the resilience and recovery and wind-down planning of covered clearing agencies. The proposal would amend the existing rules regarding intraday margin and the use of substantive inputs to a covered clearing agency's risk-based margin system and add a new rule to establish requirements for the contents of a covered clearing agency's recovery and wind-down plan.

"Today's proposal would help ensure the continuity of clearing services during times of significant stress," said SEC Chair Gary Gensler. "Well-regulated and well-managed clearinghouses help lower risk for the public. I am pleased to support the proposal because, if adopted, it would help enhance the resiliency of this part of our market plumbing, which is fundamental for the capital markets to operate. That benefits investors, issuers, and the markets alike."

Specifically, the proposal would require that a covered clearing agency have policies and procedures to establish a risk-based margin system that monitors intraday exposure on an ongoing basis and includes the authority and operational capacity to make intraday margin calls as frequently as circumstances warrant, including when risk thresholds specified by the covered clearing agency are breached or when the products cleared or markets served display elevated volatility. The proposal would also require that a covered clearing agency have policies and procedures to establish a risk-based margin system that address the use of substantive inputs to its risk-based margin system, specifically, when such inputs are not readily available or reliable.

The proposal also includes a new rule, which would build upon the existing requirement that a covered clearing agency have a recovery and wind-down plan and specify nine elements that a covered clearing agency would be required to include in its recovery and wind-down plan.

The public comment period will remain open for 60 days following publication of the proposing release on the SEC website or 30 days following publication of the proposing release in the Federal Register, whichever period is longer.

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Related Materials

- [Proposed Rule](#)
- [Fact Sheet](#)