

CSA Staff Notice 95-302

Margin and Collateral Requirements for Non-Centrally Cleared Derivatives

April 8, 2021

Introduction

This notice provides an update on work being done by the Canadian Securities Administrators (CSA or we) regarding harmonized monitoring and review of data from derivatives trade repositories, and global developments relating to margin and collateral requirements for over-the-counter derivatives that are not centrally cleared (**Margin Requirements**).

Background

The CSA published [CSA Staff Notice 95-301 *Margin and Collateral Requirements for Non-Centrally Cleared Derivatives*](#) on August 22, 2019 specifying the reasons why the CSA decided to delay proposing a rule to implement Margin Requirements. We also committed to monitor global developments and implement a harmonized monitoring process to review the data from derivatives trade repositories to inform our future plans relating to the implementation of Margin Requirements.

Global Developments

In April 2020, the Basel Committee on Banking Supervision and the Board of the International Organization of Securities Commissions extended the timeline to phase in the implementation of the collateral and margin requirements to September 2022.¹

Harmonized Monitoring Process

The CSA implemented a harmonized monitoring process involving current data from derivatives trade repositories. The most recent review found no material changes in the findings from a year ago. We will continue to monitor and review the data for any material changes.

Plan for Implementation of Margin Requirements

After completing a review of derivatives trade data, the CSA has decided to further delay the publication for comment of a rule to implement Margin Requirements and does not believe this will result in increased systemic risk to Canadian financial markets or participants. We will provide an update when we believe changes in the results from the harmonized monitoring process or circumstances warrant the continuation of work to implement Margin Requirements.

¹ Margin requirements for non-centrally cleared derivatives, <https://www.bis.org/bcbs/publ/d499.pdf>

Questions

Please refer your questions to any of:

Kevin Fine
Co-Chair, CSA Derivatives Committee
Director, Derivatives Branch
Ontario Securities Commission
416-593-8109
kfine@osc.gov.on.ca

Janice Cherniak
Senior Legal Counsel
Alberta Securities Commission
403-355-4864
janice.cherniak@asc.ca

Paula White
Deputy Director, Compliance and Oversight
Manitoba Securities Commission
204-945-5195
paula.white@gov.mb.ca

Abel Lazarus
Director, Corporate Finance
Nova Scotia Securities Commission
902-424-6859
abel.lazarus@novascotia.ca

Corinne Lemire
Co-Chair, CSA Derivatives Committee
Director, Market Data Intelligence
Autorité des marchés financiers
514-395-0337, ext. 4491
corinne.lemire@lautorite.qc.ca

Michael Brady
Deputy Director, CMR
British Columbia Securities Commission
604-899-6561
mbrady@bcsc.bc.ca

Wendy Morgan
Deputy Director, Securities
Financial and Consumer Services
Commission (New Brunswick)
506-643-7202
wendy.morgan@fcnb.ca

Derek Maher
Legal Counsel
Securities Division
Financial and Consumer Affairs Authority of
Saskatchewan
306-787-5867
derek.maher2@gov.sk.ca