Public Statements & Remarks

Supporting Statement of Commissioner Brian Quintenz Regarding Final Rule Further Extending the Compliance Schedule for Initial Margin Requirements for Firms with Smaller Swap Portfolios

October 15, 2020

I support today's final rule that extends the last phase of compliance for initial margin requirements to September 1, 2022. In light of the unprecedented economic and social impacts of COVID-19 and the potential market disruption that could result from a large number of entities coming into scope on September 1, 2021, I strongly support an additional one year deferral for these firms. As I have noted previously, given the large number of firms covered by the final compliance phases, the estimated 7,000 initial margin relationships that need to be negotiated, and the small overall percentage of swap activity these firms represent, a one year delay for these firms is appropriate in order to facilitate an efficient, orderly transition for the market into the uncleared margin regime. In addition, today's final rule also ensures the Commission is consistent with the BCBS-IOSCO recommended margin framework and with actions taken by U.S. prudential regulators to extend the margin compliance schedule.[1]

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[1] *See* Basel Committee on Banking Supervision and Board of the International Organization of Securities Commissions, Margin Requirements for Non-Centrally Cleared Derivatives (Apr. 2020), *available at* https://www.iosco.org/library/pubdocs/pdf/IOSCOPD651.pdf.

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