

Press release

14 February 2024

CPMI-IOSCO publish discussion paper and call for comments on streamlining variation
margin in centrally cleared markets

- CPMI and IOSCO call for interested parties to comment on eight effective practices that address CCPs' and clearing members' variation margin (VM) processes and transparency.
- The effective practices cover intraday VM call scheduling and frequency, treatment of excess collateral, the pass-through of VM by CCPs and transparency between CCPs, clearing members and their clients.
- The effective practices supplement the [Principles for Financial Market Infrastructures](#) (PFMI) and [CCP resilience guidance](#) by providing examples of how these standards can be met.

The BIS Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) today published the report "*Streamlining variation margin in centrally cleared markets – examples of effective practices*", which sets out for consultation eight effective practices addressing variation margin (VM) processes and transparency between CCPs, clearing members and their clients.

Interested parties are invited to comment on this report.

The eight effective practices aim to provide examples of how standards set out in the PFMI and CCP resilience guidance can be met. They are intended to inform CCPs in designing their VM call and collection processes.

Among the examples covered are:

- Scheduling, frequency and timing of intraday VM calls.
- Offsetting VM call requirements against other obligations where possible.
- Pass-through of VM by CCPs.

- Use of excess collateral to meet VM obligations.
- CCP and clearing member transparency in VM requirements and processes.

This discussion paper has been developed pursuant to [Review of margining practices](#), published in 2022 jointly by the Basel Committee on Banking Supervision (BCBS), the CPMI and IOSCO. In addition to this discussion paper published today, two other related reports were published in January 2024, the BCBS-CPMI-IOSCO report [Transparency and responsiveness of initial margin in centrally cleared markets – review and policy proposals](#), and the BCBS-IOSCO report [Streamlining VM processes and IM responsiveness of margin models in non-centrally cleared markets](#).

The Financial Stability Board (FSB) is conducting work to develop high-level, cross-sectoral policy proposals on non-bank market participants' liquidity preparedness to meet margin and collateral calls. The FSB will publish a consultative report in the first half of 2024.

The CPMI and IOSCO invite input on the report by 14 April 2024. Responses should be sent via email to the Secretariats of CPMI and IOSCO (cpmi@bis.org; VMconsultation@iosco.org).

Responses will be published on the websites of the BIS and IOSCO unless respondents expressly request otherwise. Commercial or other sensitive information should not be included in the submissions, or may be included, with redactions for publication clearly noted.