

## MARGIN REQUIREMENTS FOR NON-CENTRALLY CLEARED OTC DERIVATIVES TO BE POSTPONED FOR ONE YEAR

The FSC announced on May 4 a one-year postponement of the implementation of margin requirements for non-centrally cleared OTC derivative transactions to help ease compliance burdens on financial institutions amid the COVID-19 crisis.

- ▶ **FROM SEPTEMBER 1, 2021:** For financial institutions with non-centrally cleared derivatives of KRW70 trillion or more
- ▶ **FROM SEPTEMBER 1, 2022:** For financial institutions with non-centrally cleared derivatives of KRW10 trillion or more and less than KRW70 trillion

The decision is on a par with international standards and is based on a review of financial institutions' preparedness and opinions from the industry.

In this regard, the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) announced their decision on April 3 to extend by one year the final two implementation phases of margin requirements for non-centrally cleared derivatives to help provide additional operational capacity for firms amid the COVID-19 pandemic.<sup>1</sup> Singapore, Canada, Switzerland, Japan and Europe decided to follow the suit.

< Original schedule >		⇒	< After extension >	
Balance	Initial deadline		Extended deadline	
More than Euro3 trillion	September 1, 2016		<i>Implemented</i>	
Euro2.25 trillion~Euro3 trillion	September 1, 2017		<i>implemented</i>	
Euro1.5 trillion~Euro2.25 trillion	September 1, 2018		<i>implemented</i>	
Euro0.75 trillion~Euro1.5 trillion	September 1, 2019		<i>implemented</i>	
Euro50 billion~Euro750 billion	September 1, 2020		<b>September 1, 2021</b>	
Euro8 billion~Euro50 billion	September 1, 2021		<b>September 1, 2022</b>	

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<sup>1</sup> Please see [here](#) for full text.