



[BCBS and IOSCO Add Sixth Phase to Global Regulatory Initial Margin Rollout](#)

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By Mark Demo

Today, the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) [recommended](#) that prudential regulators add a sixth phase to the global regulatory initial margin (IM) rollout. BCBS and IOSCO are recommending to split the current Phase 5 gross notional threshold as follows:

- **IM Phase 5** go-live date remains September 1, 2020 for firms with gross notional threshold ranging from \$749.9 BN to \$50 BN (was previously \$8 BN)
- **IM Phase 6** new go-live date is September 1, 2021 for firms with gross notional threshold ranging from \$49.9 BN to \$8 BN

The good news is that global regulators have recognized the potential Phase 5 cliff effect. Given the potential range of outcomes regarding Phase 5 regulatory advocacy, the committees have struck the right level of balance between relief and prudence. A full Phase 5 delay likely would have only served to push the cliff effect back by a year.

This solution should enable the largest Phase 5 firms who expected to move initial margin on or shortly after September 1st 2020 to continue with their preparations at pace while providing all other original Phase 5 in-scope firms with an additional year to determine if and when they need to be operationally ready to move initial margin.

AcadiaSoft will continue to work closely with the industry to gain a common understanding of the implications of this recent guidance and to assist our clients with preparations for compliance.

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