

VIA ELECTRONIC SUBMISSION (cpmi@bis.org; margin@iosco.org)

2 July, 2026

BIS COMMITTEE ON PAYMENT AND MARKET INFRASTRUCTURE (CPMI) AND INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)

RE: CPMI-IOSCO CONSULTATION ON UPDATED GUIDANCE AND PUBLIC DISCLOSURES TO IMPLEMENT INITIAL MARGIN PROPOSALS

The Global Association of Central Counterparties (“CCP Global”) is the international association for central counterparties (“CCPs”), representing 45 members who operate over 60 individual CCPs across the Americas, EMEA, and the Asia-Pacific region.

CCP Global appreciates the opportunity to respond to the CPMI-IOSCO consultation on the proposed amendments to the 2017 CPMI-IOSCO *Resilience of central counterparties (CCPs): further guidance on the PFMI – final report* (CCP resilience guidance) and to the 2015 CPMI-IOSCO *Public quantitative disclosure standards (PQDs) for central counterparties*. CCP Global recognizes that these proposed amendments were developed following a number of consultations by the international standard setting community and subsequent dialogue between CPMI-IOSCO and CCPs. To this end, CCP Global and its membership welcome the updates to each iteration of policy texts that increasingly account for differences across global CCPs and enable them to retain necessary flexibility in designing their margin transparency approaches to accommodate the variety of market participants and markets they serve.

Margin Simulators & Add-On Charges

CCPs have a strong interest in ensuring that their margin simulation tools are as representative of actual margin requirements as possible. However, the range of add-ons that could be included is broad, and CCP Global members welcome the flexibility provided in implementing simulation tool enhancements, given the technical complexity involved and allowing CCPs to determine which margin add-ons should be captured. In particular, members support incorporating add-on charges that relate to the position being margined, while not necessarily requiring the inclusion of add-ons that are not built into margin models and may be discretionary or dependent on a clearing member’s specific risk profile. Such add-ons are inherently more complex and challenging, if not impossible, to simulate meaningfully.

Additionally, under Proposals 3 and 4, the Consultation requires CCPs to make sufficient information available to understand material aspects of the CCP’s margin model, including the logic, applicable thresholds and descriptions of data used for the calculation of margin add-ons. A public disclosure of add-on thresholds at an aggregate or generalized level is not straightforward and may be of limited value to the intended audience, given by design, margin add-ons can be member-specific and calibrated to reflect the individual risk profile of each participant, and applicable thresholds are subject to change accordingly. We note in this regard that the final EMIR RTS removed the equivalent requirement to disclose pricing and market data sources used by the CCP (former Draft RTS Article 1(e)), reflecting similar concerns about the practical utility and appropriate scope of such disclosures. We invite CPMI-IOSCO to consider an analogous approach here.

Measure of Margin Responsiveness (Proposals 6 and 7)

On margin responsiveness metrics, some of the CCP Global members have significant concerns that the proposed metrics are conceptually misaligned with portfolio-based margin methodologies, duplicate existing APC frameworks that are already subject to regulatory oversight, remain untested across CCPs, asset classes, and market volatility environments; and are likely to generate figures that mislead rather than inform. Accordingly, some of the CCP Global members respectfully urge CPMI-IOSCO not to proceed with Proposals 6 & 7 as currently formulated and invite further dialogue on whether the underlying transparency objectives could be achieved through means that are better calibrated to the architecture of portfolio-based margin models.

Rationale provided by CCPs - How margin models respond, and therefore how margin levels change, is a function of specific market characteristics. For example, some markets such as energy and commodities will have seasonal behavior while other markets may not, and the margin responsiveness measure in a low-volatility market environment can be very different from the measure in a volatile market scenario. Moreover, margin requirements can change significantly when a participant holds a directional portfolio or moves from a balanced to more concentrated portfolio. In such a case, a margin responsiveness measure may lead to underestimation of liquidity requirements in a low-volatility market environment. For these reasons, a standardized margin responsiveness metric would, therefore, not assist market participants ability to estimate their own liquidity needs. Further, the Report's specific choice of measures remains untested to determine if they are suitable across CCPs, asset classes and market volatility environments. Unlike other model performance related disclosures, which link back to well established industry and regulatory standards, this is a new measure that does not have the rigor and analysis required to establish such a fundamental measure.

Omission of Original Proposals 9 & 10

The proposed amendments for the CCP resilience guidance and PQD report consistently incorporate the policy proposals that were directed at CCPs (i.e., proposals 1-8) in the final BCBS-CPMI-IOSCO report *Transparency and responsiveness of initial margin in centrally cleared markets* published in January 2025 (January 2025 report), but fail to address or even acknowledge the important complementary policy proposals that were directed at Clearing Members (CMs) / Client Service Providers (CSPs) (i.e., proposals 9 and 10).

We understand the policy proposals identified in the January 2025 Report to be viewed as a set of actions that the BCBS-CPMI-IOSCO Margin Group determined CCPs and CMs/CSPs should take on collectively in order to, among other things, "assist market participants in preparing for potential liquidity demands arising from margin requirements."¹ CCP Global and its members, therefore, do not believe that these stated objectives can be achieved if only part of the set is implemented (i.e., only those on further increasing CCP transparency). In fact, we believe it is even more imperative for proposals 9 and 10 on CM/CSP transparency to be implemented relative to the CCP transparency proposals, given the January 2025 Report's acknowledgement of the important role that CMs can play in facilitating client understanding of margin requirements as well as the lack of any existing standards

¹ BCBS-CPMI-IOSCO, *Transparency and responsiveness of initial margin in centrally cleared markets*, January 2025, <https://www.bis.org/bcbs/publ/d590.pdf> (page 17).

or guidance that specifically address margin-related disclosures by CMs (outside of certain broader disclosure requirements for banks that do not apply to non-bank CMs).

As CCP Global and its membership have continued to reiterate – CCPs already provide significant transparency regarding their risk-management practices, including on margin. Transparency requirements should be implemented in a coordinated fashion across the entire clearing chain (i.e., from a CCP to a CM/CSP and from a CM/CSP to an end client) to enable market participants at different levels of participation to understand their potential margin requirements. CCPs, however, do not generally have a direct relationship with clients of CMs and therefore are not in a position to provide tools for end clients to calculate their margin requirements. CMs/CSPs are in such position to provide the missing link, without which, it is unclear how end clients would be able to understand their margin requirements and potential liquidity demands. The policy proposals under the January 2025 Report seemed to recognize this tiered market structure, and its proposals should therefore be implemented together to enable standard setters to achieve their desired outcome.

If CPMI-IOSCO does not believe proposals 9 and 10 fall under its remit, CCP Global encourages CPMI-IOSCO to reconsider the scope, calibration, and sequencing of proposals 1 through 8 in light of that conclusion, rather than proceeding with the CCP-facing measures on their own. At a minimum, CCP Global urges CPMI-IOSCO to coordinate with BCBS and the other standard-setting bodies that oversee CMs/CSPs, so that the CCP-, CM/CSP-, and client-level components are implemented together as a unified whole. Failing that, CCP Global encourages CPMI-IOSCO to confirm that the cost-benefit analysis for proposals 1 through 8 has been reassessed on the premise that the CM/CSP elements might not be implemented at the same time.

Proposed Amendments to Public Quantitative Disclosures (PQD) (Proposal 5)

Regarding the proposed amendments to PQD report, CCP Global looks forward to our continued work alongside regulators; however, we would once again like to reiterate that any new PQD requirements are carefully calibrated to avoid duplicating information that is already provided bilaterally to Clearing Members, which in many cases delivers materially greater analytical value than aggregate public disclosure. Additionally, some of the proposals move away from one of the original purposes of establishing a standardized PQD template, which is consistency across CCPs. This is especially true for proposals that introduce disclosures based on “the most relevant products” per clearing service. The concept of “most relevant product” does not apply consistently across CCPs, and in particular, with respect to differing risk methodologies, including those grounded in portfolio-level risk measurement. These include PQD fields 6.5 on the results of back-testing of initial margin required and 6.9 on the measure of initial margin responsiveness. This request makes consistency between members challenging given the diversity of products cleared, we believe that their inclusion, even with clear qualitative explanation, could lead to misleading comparative interpretations of the public quantitative disclosures.

Additional detailed comments regarding Proposal 5 are listed below.

Disclosure 6.1: Split between core initial margin and margin add-ons

The proposed amendments would require a split between core initial margin and margin add-ons. The reason provided for this new requirement is to aid participants’ understanding of the total liquidity demands they may incur when clearing a portfolio at a CCP. However, an aggregated add-on figure

across the clearing membership provides limited risk-analytical value to participants because add-ons are, by their nature, components of a CCP's overall margin requirement that are typically calculated to supplement statistical models - these are not readily discernible in the price histories of the products cleared, can address risks that may be more challenging to model accurately, and calibrated to reflect the individual risk characteristics of each participant. Accordingly, some of the CCP Global members do not consider that this proposed requirement would deliver additional meaningful transparency.

PQDs do not provide portfolio specific insights, and therefore, are neither a substitute for a clearing member's or client's own risk management, nor a forecast of a clearing member's or client's liquidity preparedness. Instead of using the PQDs for these purposes, CCPs provide each Clearing Member with a detailed, breakdown of its margin requirements, encompassing initial margin and margin add-ons. This bilateral disclosure is bespoke and contextualized to the specific risk profile of each participant, offering analytical value than an aggregated public disclosure could never achieve. This existing bilateral disclosure to participants fulfils the transparency objective articulated in the Report.

Disclosure 6.5: Results of Back-testing for the most relevant products per clearing service

The Report does not explain how the proposal for CCPs to disclose back-testing results for most relevant products would provide additional transparency to participants. The vast majority of clearing members hold complex, multi-asset portfolios instead of isolated single-contract positions that are exposed to many different price moves or risk factors. To evaluate margin adequacy, most of the larger CCPs operate portfolio-based margin models which calculate the joint risk of correlated price moves and account for correlation offsets, netting benefits, and diversification across a portfolio of positions held by a clearing member. Portfolio-based margins are calculated and called on a portfolio basis - i.e., they reflect the price risk across the member's portfolio of positions, rather than being set at the level of individual positions. Product-level back-testing figures would not produce results that reflect how a portfolio-based margin methodology operates or how the CCP's risk is managed in practice and would therefore present a distorted picture of model performance and risk, potentially misleading stakeholders.

Disclosures 6.6 and 6.7: Split of average and maximum variation margin by clearing service and currency

CCPs already provide each Clearing Member with a detailed breakdown of their variation margin (VM) requirements, including by currency, on a bilateral basis. A public PQD breakdown of average and maximum VM by clearing service and currency would not, in our view, add meaningful transparency for the intended audience beyond what is already disclosed directly to participants.

Disclosure 6.9 Measure of initial margin responsiveness for the most relevant products per clearing service (linked to Proposal 6)

Some of the CCP Global members have significant concerns regarding the proposed disclosure of margin responsiveness metrics for the most relevant products. The introduction of a new responsiveness metric through the PQD framework, would effectively layer an additional standard on top of existing and functioning regulatory requirements (Including APC requirements), without clear evidence of any material gap in the existing framework. We consider that the burden of demonstrating such a gap should fall on the proponents of any new obligation, and we invite CPMI-IOSCO to set out the evidence base that supports this addition. For CCPs that operate portfolio-based VaR margin

models, product-level margin changes would not reflect how margin is calculated, which is on a portfolio VaR basis, accounting for correlations, offsets and netting within a Clearing Member's account. Changes in product-level margin requirements reflect volatility in that specific product and do not capture portfolio-level effects such as correlation, netting and offset. In this context, the proposed responsiveness metric would have limited analytical value as a measure of model performance, while creating a material risk that stakeholders draw incorrect conclusions about the adequacy of the margin framework from figures that are, by construction, incomplete representations of how the model operates. CCP Global urges CPMI-IOSCO to give careful consideration to the conceptual alignment of proposed metrics with portfolio-based VaR methodologies before requiring product-level disclosures that may misrepresent how margin models actually function.

Conclusion:

CCP Global and its members would like to highlight that there is increasingly more qualitative information now being added to the public quantitative disclosures. CCPs produce extensive literature disclosing the detailed minutia of operations in our qualitative Principles for Financial Market Infrastructures qualitative disclosure documents. These two documents work hand-in-hand, providing the quantitative data and metrics which can be analyzed alongside with their qualitative partner documents. This provides the full transparency sought by market participants; and by inserting portions of the qualitative disclosure document into the quantitative disclosures, it requires additional work for CCP's to summarize key risk management concepts, which could therefore incompletely disclose the vast amount of efforts which go into the calibration of our prudent risk management approaches. Simply speaking, CCP Global believes that it is important to keep the Quantitative and Qualitative separation in our disclosures to provide the full transparency sought by market participants.

We would ask that regulators consider the original intent of the PQDs and to keep in mind that there are other documents, including the public qualitative disclosures, where sufficient information is disclosed that generally aligns with the objectives of the proposals.

About CCP Global

CCP Global is the global association for CCPs, representing members who operate more than 60 individual CCPs globally across Europe, the Middle East, and Africa (EMEA), the Americas, and the Asia-Pacific (APAC) regions.

CCP Global promotes effective, practical, and appropriate risk management and operational standards for CCPs to ensure the safety and efficiency of the financial markets it represents. CCP Global leads and assesses global regulatory and industry initiatives that concern CCPs to form consensus views, while also actively engaging with regulatory agencies and industry constituents through consultation responses, forum discussions and position papers.

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