

30 June 2026

To the BIS Committee on Payments and Market Infrastructures ("CPMI") and the International Organization of Securities Commissions ("IOSCO") Secretariats.

Subject: FIA Response to CPMI-IOSCO Consultation on Updated Guidance and Public Disclosures to Implement Initial Margin Proposals

Submitted via email to cpmi@bis.org and margin@iosco.org.

FIA¹ and its members welcome the opportunity to comment on the proposed [amendments to the 2017 CCP Resilience Guidance on the PFMI](#) and to the [2015 Public Quantitative Disclosure \(PQD\) standards for CCPs](#). In our view, the proposed amendments strike an appropriate balance between enhancing transparency and preserving CCPs' ability to manage risk effectively.

FIA responded to the BCBS-CPMI-IOSCO consultative report on [Transparency and Responsiveness of Initial Margin in Centrally Cleared Markets](#) in April 2024, where we strongly supported the first eight proposals relating to CCP transparency and governance. We are grateful that CPMI-IOSCO has taken into consideration industry feedback in finalising these proposals and is now progressing their implementation through targeted additions to the CCP resilience guidance and the PQDs. This is a very positive and welcome development.

In particular, we welcome:

- The inclusion of margin simulation tools in the CCP resilience guidance (paragraph 2.2.23), recognising the importance of CCPs making such tools available to clearing members (CMs) and, where feasible, their clients.
 - While we welcome this inclusion, we believe that the language could be strengthened to more firmly encourage CCPs to provide simulation tools as a standard expectation rather than merely something to "consider", given the fundamental role these tools play in enabling CMs and clients to anticipate margin requirements and manage liquidity risk. We would strongly encourage CPMI-IOSCO to retain or strengthen the mandatory language from the January 2025 Final Report. The shift from 'should ensure' to 'should consider' represents a material dilution that risks undermining the effectiveness of the standard. The provision of simulation tools should be established as a baseline expectation, with CCPs expected to justify any deviation on a 'comply or explain' basis.
 - We would also caution against the characterisation in the guidance that a margin simulator constitutes an effective way "to support replicability". While simulation tools are valuable for anticipating margin requirements and managing liquidity risk,

¹ FIA is the leading trade organization for the futures, options, and cleared swaps markets worldwide. FIA's membership includes clearing firms, exchanges, clearinghouses, and trading firms from more than 25 countries as well as technology vendors, lawyers, and other professionals serving the industry. FIA's mission is to support open, transparent, and competitive markets, to protect and enhance the integrity of the financial system, and to promote high standards of professional conduct. For more information, visit www.fia.org.

they do not enable clearing members to independently replicate the CCP's margin calculation. Replicability is supported by transparent qualitative disclosures such as model type, calibration parameters, add-on logic and thresholds, not by a tool that produces outputs without full visibility of the underlying methodology. We would recommend that this sentence be removed or clarified to avoid conflating two distinct transparency objectives. FIA strongly supports independent replicability as a transparency objective and notes that it has historically been embraced by some leading CCPs (with members encouraged to replicate calculations and feed back where documentation could be improved). At the same time, we recognise that full, end-to-end replicability of every IM calculation may not always be operationally practical. In particular, (i) some input data sets are very large and not straightforward to distribute, (ii) certain inputs may be commercially sensitive, and (iii) the long historical time series used by some of the more sophisticated IM models are typically subject to third-party licensing arrangements and associated costs. Our recommendation is therefore that the guidance should support replicability in the form of transparent, sufficiently detailed qualitative disclosures, covering model type, calibration parameters, add-on logic, thresholds and any APC components. And it should be complemented, where reasonable and proportionate, by structured engagement between CCPs and clearing members to identify and remediate gaps in documentation.

- Furthermore, we do not consider the qualifier "where feasible" to be appropriate in respect of client access. In our view, it is always feasible for a CCP to provide access to its simulation tools to clients, if not necessarily via a publicly available platform, then at a minimum through a secure portal or equivalent authenticated access. The inclusion of "where feasible" introduces unnecessary ambiguity and risks providing CCPs with an unjustified basis for withholding access. We would urge CPMI-IOSCO to remove this qualifier and establish client access as a baseline expectation, unless a CCP provides reasonable justifications as to why it cannot provide such access to clients. For the avoidance of doubt, FIA is not advocating for unrestricted public access to CCP simulation tools. We recognise that fully public access would expose CCPs to operational, reputational and cyber risks (including denial-of-service-type request volumes) and would not, in any case, be necessary to meet the underlying transparency objective. A secure portal with individual, authenticated client logins would in our view be sufficient and proportionate, and we would expect CCPs and clearing members to be best placed to agree the operational mechanics (by way of illustration, CCPs issuing unique credentials per client account to the clearing member, which the member then provides to the client). The key principle is that client access should be the baseline expectation, with the technical implementation left to CCPs and their participants.
- We also note that the proposed guidance requires CCPs to incorporate their "main add-on charges" in their simulation tools. While we support the principle that simulation tools should capture the key components of the margin requirement, we have concerns that the determination of what constitutes "main" add-on charges, if left solely to the CCP's discretion, may not reflect the perspective of clearing participants. An add-on charge that is considered "main" from the CCP's overall risk management standpoint may not be the most relevant or impactful for individual clearing members and their clients. We would therefore recommend that CPMI-

IOSCO require CCPs to clearly define and publicly justify the criteria used to determine which add-on charges are included in the simulation tool, and to demonstrate that these criteria take into account the relevance and impact from the perspective of clearing participants, not solely the CCP's own assessment. More broadly, FIA members consider that a margin simulation tool will only be fit for purpose if it captures all components of the initial margin requirement that are not discretionary in nature, that is, every add-on or other margin component that is systematically applied by the CCP under its rules and methodology, regardless of whether the CCP labels it as "main" or otherwise. Limiting the scope of the simulator to a subset of add-ons risks producing outputs that are materially below the actual IM requirement faced by clearing members and clients, undermining its utility for liquidity planning and risk management. We further note that this point is closely related to our recommendation on the transparency of stress scenarios used in the calibration of IM add-ons (see Section "Stress scenarios transparency" below), and we would encourage CPMI-IOSCO to read the two recommendations together.

- The qualitative model disclosure requirements, which align closely with FIA's longstanding advocacy for CCPs to disclose key aspects of their margin models, including model type, calibration of key parameters, the logic and thresholds for add-ons, APC tools and components affecting model responsiveness. These disclosures will be instrumental in enabling CMs and their clients to understand and assess the margin models they are subject to.
- The enhancements to Section 6.5 of the PQDs, which introduce requirements to disclose margin breaches not only at an aggregate level but also “for the most relevant products per clearing service”. This represents a significant and long-standing priority for FIA members and is a meaningful step forward in improving the transparency and usability of breach data for risk management purposes. In practice, this will enhance clearing members’ and clients’ ability to assess margin model performance across key risk segments and to identify where procyclicality or model sensitivity may be most pronounced. As a future enhancement, CPMI-IOSCO may wish to consider whether additional standardisation or granularity could further improve comparability across CCPs (for example in relation to the presentation of breach frequency and magnitude metrics), while preserving proportionality and usability.
- The responsiveness framework and governance provisions, including the requirement for CCPs to establish an internal analytical and governance framework for assessing margin responsiveness, and the clear articulation of board-level responsibility for material changes to the margin system and the framework for discretionary overrides.
- The PQD amendments, including the introduction of item 6.9 on the standardised margin responsiveness metric. This is a significant step towards enabling consistent and comparable assessment of margin model performance across CCPs globally. We support the 12-month implementation timeline for CCPs to begin reporting the new PQD fields. However, we would appreciate CPMI-IOSCO to consider the below:
 - The consultation does not clearly specify the start date from which this 12-month period would run, for example, whether it starts from the date of publication of the final updated guidance, or from some other point. We would welcome clarification from CPMI-IOSCO on the expected start date and, more broadly, on the

implementation timeline to ensure that CCPs and their participants can plan accordingly.

- In addition, we note that while a 12-month implementation timeline has been proposed for the quantitative PQD disclosures, the consultation does not appear to specify an implementation timeline for the qualitative disclosure requirements. We would welcome clarification on whether CCPs are expected to update their qualitative disclosures upon publication of the final guidance, or at the next quarterly disclosure cycle, or at some other point. Providing a clear and consistent timeline for both qualitative and quantitative disclosures would help ensure a coordinated implementation by CCPs and allow clearing participants to plan their own internal processes accordingly.
- On the lookback period applied to the responsiveness metric, we would offer a concrete alternative for CPMI-IOSCO's consideration: we would encourage CPMI-IOSCO to consider, whether the lookback periods applied to the responsiveness metric should be revisited. A one-year horizon may be sufficient for some products but is less likely to capture the full range of stress episodes relevant to exchange-traded derivatives, OTC derivatives and securities financing transactions, where market cycles and risk factor evolution occur over longer horizons. We are conscious, however, that requiring CCPs to compute and disclose the responsiveness metric over a full extended history would entail material operational, computational and data-licensing costs, for relatively limited incremental insight in periods of low volatility. We would therefore encourage CPMI-IOSCO to consider a pragmatic, event-based approach to the lookback, under which the responsiveness metric would be computed over a defined set of representative historical stress episodes, together with a sufficient surrounding window (for example, six to twelve months on either side of the event) to allow the trend and the model's reactivity to be meaningfully observed. Such episodes could include, for instance: the Global Financial Crisis (2007–2009), the COVID-19 market dislocation (Q1 2020), the Russia–Ukraine market shock (Q1 2022), the UK Gilt / LDI crisis (Q3–Q4 2022) and any further episode considered material from an asset-class perspective (e.g. relevant commodities, energy or rates events). In our view, this approach would deliver the substantive transparency benefit that the metric is intended to provide, i.e. enabling clearing members and clients to assess how the margin model behaves around genuine tail events, while avoiding the disproportionate cost and limited added value of running the metric across long periods of relative market calm. It would also allow for differentiation by asset class in a more proportionate way, since the relevant stress episodes (and the appropriate surrounding window) can be selected to reflect the most material historical events for each product set. We stand ready to support CPMI-IOSCO and CCPs in defining a common, industry-agreed reference set of stress episodes, with a view to ensuring comparability of the metric across CCPs.

While we are supportive of the overall direction, we wish to highlight a number of areas where the proposed amendments could be strengthened or where elements from our April 2024 response and ongoing work with our members may not have been fully addressed:

1. Discretionary override data in the PQDs: While we strongly support the guidance requiring CCPs to publicly disclose information on the governance of discretionary overrides, we recommend that the aggregate size and duration of margin model overrides, as compared with unadjusted IM requirements, should be systematically captured within the PQD reporting framework. We would encourage CPMI-IOSCO to consider incorporating this in a future revision of the PQDs.
2. Default fund methodology transparency: We continue to believe that default fund contributions represent a significant requirement for CMs and are also subject to procyclicality and varying degrees of opacity. While we appreciate that the current consultation focuses on initial margin, we would recommend that CPMI-IOSCO consider a future workstream addressing default fund methodology transparency and disclosures, including the stress scenarios driving default fund sizing.
3. Stress scenarios transparency: Building on our point on default fund methodology transparency above, we would also highlight the importance of stress scenario transparency in the specific context of initial margin. In many cases, stress-based add-ons to initial margin are calibrated by reference to stress losses, and the relationship between the stress scenarios used for margin purposes and those used for default fund sizing is often unclear to clearing participants. We would encourage CPMI-IOSCO to ensure that the guidance explicitly covers the transparency of stress scenarios used in the calibration of IM add-ons, including the methodology, the scenarios applied, and the relationship between margin stress testing and default fund stress testing. This would enable clearing participants to better understand and anticipate changes in stress-related margin components. This recommendation should be read together with our comments on the scope of "main add-on charges" in simulation tools (see Page 2 and 3). In our view, the value of stress scenario transparency for IM add-ons would be materially enhanced if simulation tools are required to incorporate all non-discretionary IM components, so that clearing members and clients can directly assess the impact of stress assumptions on the full IM requirement rather than on a partial view.
4. Standard taxonomy and margin output: In our response, we advocated for a global taxonomy of risk types captured by CCPs in their margin disclosures and for a standardised margin output format (breaking down figures between core IM and the different additional margins at the account/position level). We would encourage CPMI-IOSCO to explore this as part of the implementation guidance to promote consistency and comparability across CCPs.
5. Collateral haircut methodology: We continue to observe limited transparency on collateral haircut models used by CCPs. While the current focus is on initial margin, collateral haircut transparency to CMs and their clients is equally important and deserves appropriate attention in future guidance.
6. Intraday margin: We note that intraday initial margin practices are not specifically addressed in the proposed amendments. As CCPs increasingly rely on ad hoc intraday margin calls, clear guidance on communication protocols, notice periods and the use of excess collateral during intraday calls would enhance transparency and help mitigate procyclical liquidity pressures.
7. APC disclosures: We welcome the guidance on public disclosure of APC tools, including the level of detail provided in the annex. This represents an important step towards improving transparency of margin model behaviour. However, to ensure these disclosures are

consistently meaningful and usable, CPMI-IOSCO may wish to provide further guidance on the expected level of detail regarding key calibration parameters (such as lookback periods, thresholds and scaling factors), as well as the interaction and application of APC tools in practice. This would help avoid divergent interpretations and support comparability across CCPs and jurisdictions.

8. Risk of regulatory fragmentation: We wish to flag a broader strategic concern regarding the risk of regulatory fragmentation. Where the global standard set by IOSCO is perceived as insufficiently robust, for example, through the softening of mandatory language (e.g. from "should ensure" to "should consider"), it risks inviting individual jurisdictions to develop their own, more prescriptive requirements. For global clearing participants operating across multiple jurisdictions, such fragmentation would result in significant operational costs and complexity, undermining the very objective of a harmonised global baseline. We therefore urge CPMI-IOSCO to ensure that the final guidance sets the strongest possible global standard, thereby reducing the incentive for jurisdictions to adopt divergent, and potentially conflicting, regional approaches.
9. Consistent implementation and monitoring: We continue to emphasise that the transparency objectives will only be met if these amendments are consistently implemented and regularly monitored across jurisdictions. We would welcome further clarity on the planned assessment and monitoring framework for these amendments.
10. In particular, in relation to the point just mention above, we would strongly encourage CPMI-IOSCO to conduct a formal Level 3 post-implementation assessment, aligned with its established assessment framework, to evaluate the consistency and quality of implementation across jurisdictions and CCPs. The Level 3 assessment process has proven effective in identifying implementation gaps and promoting convergence in other areas, and we believe it would be equally valuable in ensuring that the margin transparency objectives are met uniformly on a global basis. Without such a structured assessment, there is a risk that implementation may diverge significantly across jurisdictions, undermining the intended global baseline.

FIA is grateful to CPMI-IOSCO for the considerable work undertaken to implement the margin transparency proposals and for the opportunity to comment on these amendments. The proposed changes represent a meaningful step forward in enhancing transparency, predictability and resilience in centrally cleared markets, and we commend the standard setters for their constructive engagement with industry stakeholders throughout this process.

We remain at your disposal to discuss any of the points raised in this response and look forward to continuing our engagement as implementation progresses.

Respectfully submitted,



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