Joint Release

Board of Governors of the Federal Reserve System
Farm Credit Administration
Federal Deposit Insurance Corporation
Federal Housing Finance Agency
Office of the Comptroller of the Currency

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Agencies Seek Comment on Proposed Amendments to Swap Margin Rule

WASHINGTON—Five federal agencies propose to amend swap margin requirements to conform with recent rule changes that impose new restrictions on certain qualified financial contracts (QFCs) of systemically important banking organizations. Under the proposed amendments, legacy swaps entered into before the applicable compliance date would not become subject to the margin requirements if they are amended solely to comply with the requirements of the QFC Rules.

The proposed amendments would also harmonize the definition of "Eligible Master Netting Agreement" in the Swap Margin Rule with recent changes to the definition of "Qualifying Master Netting Agreement" in the respective capital and liquidity regulations of the Federal Reserve, Federal Deposit Insurance Corporation (FDIC) and Office of the Comptroller of the Currency (OCC) by recognizing the restrictions that were adopted by these agencies with respect to the QFC Rules.

The Swap Margin Rule was issued in November 2015 by the Farm Credit Administration, the FDIC, the Federal Housing Finance Agency, the Federal Reserve, and the OCC, and established minimum margin requirements for swaps and security-based swaps that are not cleared through a clearinghouse. The margin requirements are designed to help ensure the safety and soundness of swap entities and reduce risks to the stability of the financial system associated with non-cleared swaps activity.

The agencies request comments on the proposed amendments no later than 60 days after the date of their publication in the *Federal Register*.

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Attachment: Proposed *Federal Register* Notice of Proposed Rulemaking

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