SCHULTE ROTH + ZABEL

NEWS & INSIGHTS

PUBLICATIONS

U.S. Regulators Adopt Final Rule on Margin Requirements for Non-Cleared Swaps

November 2015

On Oct. 22, 2015, a group of five banking regulators (the “prudential regulators”) adopted a final rule establishing minimum margin and capital requirements for non-cleared swaps and non-cleared security-based swaps. The final rule, which does not begin phasing in until September 2016, applies to swaps executed by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants for which one of the federal agencies is the prudential regulator. Although most investment managers and other buy-side firms are already margining non-cleared swaps under ISDA master agreements and credit support annexes, the final rule imposes material obligations on swap dealers that diverge from current industry practice. In this article, SRZ partner Craig Stein and associate Sean D. Locklear discuss the final rule, which will likely require amendments to current trading documentation and result in increased costs for many market participants.

Copyright © 2024 Schulte Roth & Zabel LLP

Attorney Advertising

Related People

Craig Stein

Partner

New York

Sean Locklear

Special Counsel

New York

Practices

FINANCE

HEDGE FUNDS

INVESTMENT MANAGEMENT

DERIVATIVES

Attachments

The_Hedge_Fund_Journal_US_Regulators_Adopt_Final_Rule_on_Margin_

Copyright © 2024 Schulte Roth & Zabel LLP

Attorney Advertising