

BCBS, CPMI and IOSCO survey clients and non-bank intermediaries on margin calls

- Standard-setters invite market participants to complete a voluntary survey on margin calls
- Survey is part of an examination into liquidity shortfalls during the early stages of the Covid-19 pandemic
- Results will feed into work programme to improve the resilience of non-bank financial intermediaries

International standard-setters for banks, market infrastructures and securities markets have issued a survey on the use of margin calls as part of an examination into liquidity shortfalls during the early stages of the Covid-19 pandemic (March and April 2020).

The Basel Committee on Banking Supervision (BCBS), the Committee on Payments and Market Infrastructures (CPMI) and the International Organisation of Securities Commissions (IOSCO) (the Committees) are inviting [clients](#) (i.e., entities that participate in these markets through an intermediary) and [non-bank intermediaries](#) to complete a survey on a voluntary basis. Separately the Committees are collecting data from central counterparties (CCPs) and bank intermediaries.

This work includes both initial and variation margins in derivatives and securities markets and covers:

- Margin in cleared and uncleared markets during the March 2020 market turmoil, including clearing member-client dynamics;
- Margin practice transparency, predictability and volatility during the March market turmoil across various markets, jurisdictions and margining models; and
- Liquidity management preparedness of market participants (especially non-banks) to meet margin calls.

In November 2020, the Financial Stability Board published a [Holistic Review of the March Market Turmoil](#), noting that some market participants in the non-bank financial intermediation (NBFi) sector experienced a COVID-19 related liquidity shock in March 2020. The report also noted that increased volatility triggered margin calls, which contributed in March to a “dash for cash”.

As part of the work programme to enhance the resilience of the NBFi sector, the G20 agreed that the FSB should coordinate with the Committees to look at issues around margin calls during the early stages of the Covid-19 pandemic. In particular, an ad-hoc group comprising representatives of CCP supervisors and the Committees’ members would carry out a data-driven analysis of cleared and uncleared margin in that period and make policy recommendations, as appropriate. The results of this work will be incorporated in the overall FSB NBFi work and delivered to the G20 by the FSB.

Individual responses will remain confidential and will be used only in anonymised and/or aggregated format in future publications. Respondents may respond to all or part of the questions. Clients and non-bank intermediaries are asked to submit responses by 17 May 2021.

The Committees will also be holding an [information session](#) to provide additional context to the surveys and respond to questions of market participants.