
CIRCULAR 2021/029 CDS Mark-to-Market Margin Interest Rates Transition

The purpose of this Circular is to advise that ICE Clear Credit (“ICC”) proposes to change the interest rates used for computing interest on Mark-to-Market (“MTM”). The proposed change is in response to requests by industry participants, follows many industry calls discussing a change and follows a similar change for other cleared swap products.

The target date of the proposed transition is Monday, June 14, 2021, subject to completion of applicable regulatory reviews. On this date, ICC proposes to begin calculating interest on MTM for EUR denominated instruments using €STR rather than EONIA and calculating interest on MTM for USD denominated instruments using SOFR rather than Effective Fed Funds. ICC proposes to facilitate one-time adjustment payments and corresponding collections to account for the reasonably expected valuation changes associated with the use of the new interest rates.

A more detailed description is in the presentation located [here](#).

For more information, please contact:

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