

08 April 2021



Circular C21/055

CDS Clearing: Proposed change to Mark-to-Market Margin Interest Rates

Category

General

Attachments

None

The purpose of this Circular is to advise Clearing Members that ICE Clear Europe ("ICEU") 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 14 June 2021**, subject to the completion of relevant regulatory processes. On this date, ICEU propose 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. ICEU 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 of the proposed transition is in the presentation located [here](#).

Clearing Members are invited to comment on the proposal within 14 calendar days of publication of this Circular.

Comments should be made by email to ICEU.Compliance@ice.com by **Thursday 22 April 2021**.

Should you have any questions in relation to this Circular or require any further information, please contact CDS Operations, by phone on +44 (0)20 7429 3130 or by email eucdsops@ice.com.

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:

A handwritten signature in blue ink, appearing to read 'Hester Serafini', with a horizontal line underneath.

Hester Serafini
President

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For more information, please contact:

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