

Circular No. MPI 02/2016

6 December 2016

To: All Persons who are exempt from holding a capital markets services licence under section 99(1)(a) or (b) of the Securities and Futures Act

Dear Sir / Madam

MAS GUIDELINES ON MARGIN REQUIREMENTS FOR NON-CENTRALLY CLEARED OVER-THE-COUNTER DERIVATIVES CONTRACTS

The Monetary Authority of Singapore (MAS) today issued the Guidelines on Margin Requirements for Non-Centrally Cleared Over-the-counter (Uncleared) Derivatives Contracts (Guidelines)¹.

2 The Guidelines will take effect on 1 March 2017. A six-month transition period will apply from the commencement of the Guidelines (i.e. 1 March 2017), during which MAS Covered Entities will be expected to make progress to meet the Guidelines as soon as practicable. As and when the necessary documentation and arrangements with respect to a counterparty are in place during that period, MAS Covered Entities should start exchanging margins for contracts entered into with that counterparty from that point on.

3 The Guidelines are enclosed for your attention.

Yours faithfully
(Sent via MASNET)

NG YAO LOONG
EXECUTIVE DIRECTOR
MARKETS POLICY & INFRASTRUCTURE DEPARTMENT

¹ The 1 October 2015 policy consultation paper and responses to the consultation paper on proposals to implement margin requirements for uncleared derivatives contracts are accessible at <http://www.mas.gov.sg/News-and-Publications/Consultation-Paper/2015/Policy-Consultation-on-Margin-Requirements-for-NonCentrally-Cleared-OTC-Derivatives.aspx>.