

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
PROPOSED AMENDMENTS TO SWAP COUNTERPARTY MARGIN REQUIREMENTS
BLACKLINE COPY OF THE PROPOSED AMENDMENTS TO IIROC RULE SECTION 5442
(EFFECTIVE DECEMBER 31, 2021)

5442. Swap counterparty margin requirements

- (1) The counterparty to the swap agreement is considered the *Dealer Member's* client and the minimum margin the *Dealer Member* shall obtain from the swap client is as follows:
 - (i) where the swap client is an *acceptable institution*, no margin, or
 - (ii) where the swap client is an *acceptable counterparty* or *regulated entity*, any *market value* deficiency calculated relating to the swap agreement, or
 - (iii) where the counterparty is an other counterparty, any *loan value* deficiency calculated relating to the swap agreement determined by using the same approach as set out in sections 5440 and 5441 for *Dealer Member* swap positions.
- (2) No margin is required in sub-clause 5442(1)(ii) provided:
 - (i) the *Dealer Member* takes action to correct the *market value* deficiency and
 - (ii) the *market value* deficiency exists for less than one business day.