**Reply** **form**

Consultation Paper on draft RTS on Margin Transparency Requirements (Article 38(10) of EMIR)

Responding to this paper

ESMA invites comments on all matters in the Consultation Paper and in particular on the specific questions in this reply form. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **8 September 2025.**

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

* Insert your responses to the questions in the Consultation Paper in this reply form.
* Please do not remove tags of the type <ESMA\_QUESTION\_MARG\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
* When you have drafted your responses, save the reply form according to the following convention: ESMA\_MARG\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_MARG\_ABCD.

* Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the headings ‘Legal notice’ and heading ‘[Data protection](https://www.esma.europa.eu/about-esma/data-protection)’.

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | SIX Group |
| Activity | Central Counterparty |
| Are you representing an association? |  |
| Country/Region | Switzerland |

# Questions

1. Do you agree with the proposed information to be provided by the CCP on its margin model design and operations? Do you have other proposals as to which information could be provided under point (a) of Article 38(7) of EMIR?

<ESMA\_QUESTION\_MARG\_1>

CCPs should offer only essential, high-level information that effectively supports margin preparedness, with high level documents that contain only the relevant details without disclosing sensitive or proprietary data like detailed model descriptions or internal governance. Disclosing, for instance, the specific market data sources could pose an additional risk for the CCP (cyberattacks, intentional manipulation, breach of confidentiality agreements). Furthermore, sharing governance details (as outlined in point 16(b) of the Consultation) with clearing members is not required under EMIR, so CCPs should not be obligated to disclose their internal operational procedures. In any case, to ensure a smooth implementation of the requirements a transition period of at least 12 months after the RTS is published should be granted.

<ESMA\_QUESTION\_MARG\_1>

1. Do you agree with the proposed information to be provided by the CCP on the margin model assumptions and limitations? Do you have other proposals as to which information could be provided under point (b) of Article 38(7) of EMIR?

<ESMA\_QUESTION\_MARG\_2>

While SIX Group supports providing information to help clients prepare for stressed market conditions, providing overly detailed disclosures may prove counterproductive by hindering CCPs’ ability to adjust or improve margin models promptly. A degree of flexibility must be maintained to allow CCPs to respond effectively to market developments. Disclosure of some of the required information, in particular ‘sensitivity testing results’ and margin model limitations, risks revealing proprietary aspects of the CCP’s risk models, which may be misinterpreted by participants or could potentially be used by certain Clearing Members to gain an unfair advantage, thereby undermining a level playing field. In particular, we highlight that EMIR does not mandate the CCP to disclose sensitivity testing results, except for reporting the results to the Risk Committee. Furthermore, sensitivity testing results do not contribute to margin preparedness, so such disclosure should not be mandatory.

Additionally, back testing results are already disclosed in CPMI-IOSCO, and Members can check the results during periods of stress that took place during the period reported.

<ESMA\_QUESTION\_MARG\_2>

1. Do you agree with the proposal with regard to the model documentation? Do you have other proposals as to which documents could be provided under point (c) of Article 38(7) of EMIR?

<ESMA\_QUESTION\_MARG\_3>

Most of the information referred in Article 1 and 2 is already reported in the CPMI-IOSCO template. Providing qualitative written information duplicates already reported quantitative data. While we recognize that the Level 1 requirement from EMIR was intended to ensure CCPs provide margin transparency information in a documented format, we believe that the draft RTS’s reference to “all documents” is excessive, as it could lead Clearing Members to assume they are entitled to request internal, proprietary information from the CCP, which should remain confidential.

<ESMA\_QUESTION\_MARG\_3>

1. Do you agree with the proposed requirements and the type of output for the simulation tool to be provided by CCPs? Are there any other requirements for the CCP margin simulation tool which should be taken into account, such as legal mechanisms to ensure confidentiality?

<ESMA\_QUESTION\_MARG\_4>

Output of the simulation tool

Implementing a functionality in the simulator to offer the breakdown of margin add-ons may be a technical challenge and require a large dedication of time and resources. Especially in the case of parametric models, the CCP would need to redesign its systems if it currently does not incorporate such a functionality. In addition, some add-ons are dependent of each Clearing Member and may vary from Member to Member, such as the Stress Margin Add-on and Wrong-Way Risk Add-on. The complexity of the implementation will increase costs for the CCPs (increased cost of clearing) with limited added value. It is worth noting that EU CCPs have long been required to offer simulators even before the introduction of EMIR 3, but the use of these tools has remained very low. Therefore, making them more complex could be expensive with little benefit.

Regarding the distinction between the simulated margin for current portfolios versus new transactions, SIX Group would like to emphasize that adding more functionalities without focusing on the outcome creates additional complexity with little value to Members. Therefore, the requirement should be more outcome-oriented rather than prescribing a specific approach.

Simulation scenarios

The “most recent initial margin call” may complicate the technical setup as this would mean that the simulation tool would need to receive the input parameters constantly throughout the day. Depending on the architectural setup, this could lead to a more expensive solution compared with, for example, if there are only EoD parameters used, where the parameters would only be transferred once in an overnight process from the Clearing System to the Simulation tool. Requiring CCPs to use the “most recent initial margin call” is a too complex requirement potentially meaning that the simulation tool needs to be on par with the production system.

Considering stress scenarios makes sense when one is interested in the P&L of a portfolio during a given scenario. However, the margin simulation tool does not provide a P&L, but a margin requirement. Considering stress scenarios in the simulation tool is therefore of limited value; it is only possible to simulate a margin requirement given a parametrization that would have been present during a specific historical event. It is also unclear whether CCPs have stored the parametrization of their initial margin model for a period, e.g. the financial crisis of 2008. For hypothetical scenarios, the CCP would need to take many assumptions, thereby further diluting the value of the output of the margin simulation.

In case hypothetical scenarios are to be introduced, it is crucial that they are standardized. Otherwise, there will be no comparability between CCPs.

Additionally, with respect to the requirement included in the Appendix (“As regards hypothetical scenarios, they shall be built in a way that they stress the Clearing Members’ liquidity needs”), we would like to point out that the phrase “stressing members’ liquidity needs” is unclear. This is not within the CCP’s remit to define. The CCP can provide hypothetical scenarios and indicate what the initial margin would have been during such scenarios; however, assessing or stressing a Clearing Member’s liquidity needs should not be the CCP’s responsibility when constructing hypothetical scenarios.

<ESMA\_QUESTION\_MARG\_4>

1. Do you agree with the proposed information to be shared by CSPs on their margin models? Should any other element be taken into account?

<ESMA\_QUESTION\_MARG\_5>

It is ultimately within CSPs responsibility to define and shape their relationship with Clearing Members, including the extent and nature of information shared about their margin models. The specifics of disclosure and communication should remain at the discretion of the CSPs based on their business models and client needs. Nevertheless, transparency in margin requirements could help clients differentiate the margins required from CCPs, as opposed to those imposed by CSPs.

<ESMA\_QUESTION\_MARG\_5>

1. Do you agree with the proposals on the margin simulations to be provided by CSPs? Should there be any additional requirements?

<ESMA\_QUESTION\_MARG\_6>

Please refer to the answer in Q5.

<ESMA\_QUESTION\_MARG\_6>