

Table 1. High level overview of collateral eligibility requirements (status 01.01.2015)

Collateral	Central banks						Regulatory requirements								CCP frameworks																				
	Eurosystem	BoE	Riksbank	SNB	Fed	BoJ	CPSS-IO스코 PFMI	EU: EMIR RTS for CCPs	US: DFA Final rule on DCO	EU : EMIR RTS for non-cleared OTCD (DRAFT)	US: DFA rule on non-cleared swaps (DRAFT)	LCR Basel III	EU: LCR CRDIV	US: LCR	Underlying collateral for cleared repos							Initial margins of derivatives and repos													
															ECB Basket	Eurex Clearing GC Pooling	Eurex Clearing	LCH Clearnet		CC&G	BME Clearing	Eurex Clearing	LCH. Clearnet Ltd	LCH. Clearnet SA	ICE Clearing Europe	CMECE-Europe	CC&G	BME Clearing	NASDAQ OMX Nordic	KDPW CCP S.A					
																		€GCPlus Basket 1	€GCPlus Basket 2												RepoClear €GC	RepoClear £GC	Repo	X-COM basket	MEFF Repo
Marketable assets																																			
- Debt instruments of:																																			
Central governments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Central banks	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓			✓				✓		✓												
Public sector institutions other than central government	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓		✓									✓					
Supranational institutions	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓		✓		✓						✓						
Credit institutions (covered bonds)	✓	✓	✓	✓			✓		✓	✓		✓	✓			✓	✓	✓			✓								✓						
Credit institutions (excl. covered bonds)	✓	✓					✓			✓			✓	✓	✓		✓	✓			✓														
Corporations (other than credit institutions)	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓			✓														
- ABS	✓	✓				✓	✓			✓	✓								✓									✓							
- Equities							✓	✓	✓	✓	✓				✓						✓		✓				✓	✓	✓	✓	✓				
- Money Market funds							✓																	✓											
- Gold							✓	✓																		✓									
Non-marketable assets																																			
- Credit claims (bank loans)	✓	✓				✓																													
- Non-marketable retail mortgage-backed debt instruments (RMBDs)	✓	✓																																	
Cash as collateral																																			
- Cash or fixed term deposits from eligible counterparties	✓		✓																		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Other							✓	✓	✓	✓	✓																		✓						

Notes Table 1:

- CPSS-IOSCO PFMI refers to “Principles for financial market infrastructures” (April 2012). Principle 5: Collateral “An FMI that requires collateral to manage its or its participants’ credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits”.
- EU: EMIR RTS for CCPs refers to “COMMISSION DELEGATED REGULATION (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties”. EMIR Art. 46(1): “A CCP shall accept highly liquid collateral with minimal credit and market risk to cover its initial and ongoing exposure to its clearing members”
- US: DFA Final rule on DCO refers to “CFTC final rule on Derivatives Clearing Organizations and International Standards” (Dodd Frank Act, 17 CFR Parts 39, 140, and 190). A derivatives clearing organization shall limit the assets it accepts as initial margin to those that have minimal credit, market, and liquidity risks. (DFA Final rule on DCO Art. 39.13 (10)
- EU : EMIR RTS for non-cleared OTCD (DRAFT) refers to “Draft regulatory technical standards on risk-mitigation techniques for OTC-derivative contracts not cleared by a CCP under Article 11(15) of Regulation (EU) No 648/2012”. As eligible collateral under EMIR RTS for non-cleared OTCD is also recognised: convertible bonds; shares or units in UCITS.
- US: DFA rule on non-cleared swaps (DRAFT) refers to “Prudential regulator (OCC, Federal Reserve, FDIC, FHFA and FCA) margin rule proposal: Margin and Capital Requirements for Covered Swap Entities, 79 FR 57348” (Sept. 2014). As eligible collateral is also recognised: securities that are issued by, or fully guaranteed as to the payment of principal and interest by, the European Central Bank or a sovereign entity. Debt instruments of Central Governments and Central banks: limited to a sovereign entity that is assigned no higher than a 20 percent risk weight under applicable capital rules (Under marginal rule proposal as eligible collateral is a security that is issued by, or fully guaranteed as to the payment of principal and interest by, the European Central Bank or a sovereign entity that is assigned no higher than a 20 percent risk weight under the capital rules applicable to swap dealers subject to regulation by a prudential regulator). Equity has to be publicly traded equity included in a major index (Under marginal rule proposal as eligible collateral is a publicly traded common equity security that is included: The Standard & Poor’s Composite 1500 Index or any other similar index of liquid and readily marketable equity securities as determined by the Commission; or (B) An index that a covered swap entity’s supervisor in a foreign jurisdiction recognizes for purposes of including publicly traded common equity as initial margin under applicable regulatory policy, if held in that foreign jurisdiction).
- LCR Basel III refers to “Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools” (January 2013). Central bank reserves are also recognised as eligible assets.
- EU: LCR CRDIV refers to “COMMISSION DELEGATED REGULATION (EU) No .../.. of 10.10.2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement for Credit Institutions”. As eligible assets under EU LCR CRD IV are also recognised: reserves held by the credit institution in a central bank, restricted-use committed liquidity facilities that may be provided by the ECB, the central bank of a Member State or the central bank of a third country; non-interest bearing assets constituting a claim on or guaranteed by central banks or by the central government or the central bank of a third country or by a regional government, local authority or public sector entity in a third country.
- US: LCR refers to “Liquidity Coverage Ratio: Liquidity Risk Measurement Standards” (Final Rule, 12 CFR Parts 50, 249, 329). As eligible assets under US LCR are also recognised: Reserve Bank balances; Foreign withdrawable reserves; A security issued by, or guaranteed as to the timely payment of principal and interest by, a U.S. government sponsored enterprise, that is investment grade under 12 CFR part 1 as of the calculation date, provided that the claim is senior to preferred stock.