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Position Paper

EMIR 3 draft RTS on Margin Transparency requirements

The German Association of Energy and Water Industries (BDEW), Berlin, represents over 1,900 companies. The range of members stretches from local and communal through regional and up to national and international businesses. It represents around 90 percent of the electricity production, over 60 percent of local and district heating supply, 90 percent of natural gas, over 90 percent of energy grid as well as 80 percent of drinking water extraction as well as around a third of wastewater disposal in Germany.

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1 Executive Summary

Reasons for publication

The Review of the European Market Infrastructure Regulation ('EMIR 3') seeks, amongst others, to increase transparency on the margin calls and margin models, by the CCPs towards their clearing members on the one hand, and by the Clearing Service Providers (clearing members and clients providing clearing services - CSPs) towards their clients on the other hand. The main objective is to ensure better visibility and predictability of margin calls for clearing members, clients and indirect clients, and thus further develop their liquidity management strategies.

EMIR 3 thus strengthens the requirements on the margin model information and the margin simulation tool provided by CCPs. It also introduces new requirements for CSPs (i.e. clearing members and clients offering clearing services to clients) to improve transparency on their margin models and to provide a simulation of their margin requirements.

ESMA is mandated to further specify these requirements, notably regarding the information to be provided on the margin models and the type of output from the margin simulation tools in a Regulatory Technical Standard (RTS) within twelve months following the entry into force of the amending Regulation.

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Section 3 summarises the recent international work performed on the margin transparency, related to the subject of this consultation paper. Section 4 outlines the requirements proposed by ESMA with regard to the information to be provided by CCPs on their margin models in accordance with Article 38(7) of EMIR and with regard to the margin simulation tool to be provided by CCPs in accordance with Article 38(6) of EMIR. Section 5 outlines the requirements proposed by ESMA with regard to the information to be provided by CSPs to clients in accordance with points (a) to (c) of Article 38(8) of EMIR and the simulation to be provided to clients in accordance with point (d) of Article 38(8).

Next Steps

ESMA will consider the feedback it received to this consultation by 8 September 2025 and expects to publish a final report and submission of the draft technical standards to the European Commission for endorsement as soon as possible

2 Introduction

1. On 4 December 2024, Regulation (EU) 2024/2987 was published in the EU Official Journal, following the review of the European Market Infrastructure Regulation – otherwise known as 'EMIR 3'. This Regulation entered into force on. 24 December 2024.

2. EMIR 3 seeks, amongst others, to increase transparency on the margin calls and margin models, by CCPs towards their clearing members on the one hand, and by clearing members and clients offering clearing services to clients (i.e. Clearing Service Providers (CSPs)) towards their clients on the other hand. The main objective is to ensure better visibility and predictability of margin calls for clearing members, clients and indirect clients, and thus further develop their liquidity management strategies.

3. The initial requirements for margin transparency were introduced in 2019, as part of the EMIR Refit amendments in Regulation (EU) 2019/834. This includes the requirement on CCPs to disclose information on their initial margin models, and to provide a margin simulation tool to their clearing members.

4. EMIR 3 introduces more detailed requirements on the margin model information and the margin simulation tool to be provided by CCPs. It also introduces new requirements for CSPs to improve transparency on their margin models and to provide a simulation of their margin requirements. These new requirements are broadly similar to the ones applicable to CCPs on this subject.

5. Article 38(10) of EMIR provides a mandate for ESMA to further specify these requirements, notably regarding the information to be provided on the margin models and the type of output from the margin simulation tools in the draft RTS, in consultation with EBA and ESCB.

6. This Consultation Paper seeks feedback from stakeholders on several key aspects of the margin transparency requirements, notably on the information on the margin model and the simulation to be provided by CCPs to their clearing members and by CSPs to their clients.

3 International work

7. In January 2025, BCBS-CPMI-IOSCO published a Report on transparency and responsiveness of initial margin in centrally cleared markets1 which outlines ten policy proposals relating to CCP transparency, governance and review of margin models, as well as clearing member transparency.

8. With regards to CCP margin transparency, the Report mentions six policy proposals to enhance transparency focusing on margin simulation tools, qualitative disclosures and quantitative disclosures. In the context of the preparatory work of the draft ESMA RTS on margin

transparency requirements, ESMA focused its attention on proposals 1 to 3 on CCP margin simulation tools and CCP margin model information in accordance with Article 38 of EMIR.

9. In addition, the Report mentions two policy proposals to enhance transparency focusing on clearing member-to-client transparency and clearing member-to-CCP transparency. In the context of the preparatory work of the draft ESMA RTS on margin transparency requirements, ESMA focused its attention on proposal 9 on clearing member to client transparency.

4 EMIR margin transparency requirements for CCPs

4.1 CCP initial margin model information

10. As per Article 38(7) of EMIR, a CCP shall provide its clearing members with information on the initial margin models it uses, including methodologies for any add-ons, in a clear and transparent manner. Article 38(10) of EMIR adds that ESMA should specify in the draft RTS the information to be provided by CCPs to clearing members regarding transparency of margin models.

4.1.1 Model design and operations (Article 38(7)(a) of EMIR)

11. Point (a) of Article 38(7) of EMIR states that the information shall clearly explain the design of the initial margin model and how it operates, including in stressed market conditions.

12. ESMA proposes that the information provided by the CCP be sufficient to enable the clearing member to obtain an in-depth understanding of how the CCP's margin model works. The CCP should ensure that the scope of the information includes all the elements of the margin model, i.e. the "core" margin and any add-ons, and covers all the products cleared by the CCP.
13. Firstly, the information provided by the CCP on the margin model should be clear on the type of model used for the core margin (e.g. parametric model, historical simulation or Monte Carlo simulation), and include details on the model parameters (including the confidence level, the lookback period, and the time horizon for the liquidation period) with a description of their function. The CCP should also provide a detailed description of the model including logical steps and mathematical and statistical specifications. If the core margin covers for other risks than market risk, the information provided should be clear on how the additional risks are taken into account.

14. More specifically, in addition to the core margin, the information should include (where applicable):

a) margin add-ons which cover the risk of the individual portfolios (such as liquidity, concentration and wrong-way risk add-ons);

b) margin add-ons which cover the risk of the aggregate impact of all the portfolios of the clearing member (such as default fund concentration add-on);

c) margin add-ons related to the individual risk of the clearing member (such as credit risk add-on); and

d) other margin add-ons (such as margin requirements related to model risk or resulting from margin overrides).

15. In addition, information on the sources (market data and other) used by the CCP for calculating the margins should be provided, as well as the frequency of the updates.

16. In order to ensure that point (a) of Article 38(7) of EMIR is sufficiently covered, ESMA proposes that the CCP be required to clearly explain the governance and procedures related to the margin calls. This should include at least:

a) Operational arrangements, including the deadlines for meeting the margin calls, collateral posting cut-off times and the collateral collection schedule.

b) Governance procedures related to the review of the margin model of the CCP, the involvement of clearing members in this governance process and the applicable notice period. This governance should be appropriate to the business lines and the risk profile of the CCP, in accordance with Article 26 of EMIR and related Level 2 and Level 3 measures.

Q1: 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?

Answer 1: BDEW supports the proposed requirements regarding the transparency of Central Counterparties (CCPs) margin model design and operations. We particularly welcome the inclusion of clear descriptions of the model type, parameters, add-ons, and governance structures. This level of detail will significantly contribute to a better understanding of margin behavior and liquidity planning for clearing members. While Article 38(7) of EMIR clearly mandates that CCPs provide this information to their clearing members, we believe the effectiveness of these transparency measures can only be fully realized if similar transparency is also ensured further down the clearing chain, namely, from Clearing Service Providers (CSPs) to their clients. Most of the documentation of CCP margin models and their explanation is already published on their web page. Nevertheless, data relating to specific client positions, which are not publicly available, must be actively communicated and explained by CSPs to their clients.

However, we recommend that ESMA ensures that the information is presented in a way that is also comprehensible for smaller market participants with limited quantitative resources.

Additionally, a harmonized format for documentation across CCPs would improve comparability and usability across the market.

4.1.2 Model assumptions and limitations (Article 38(7)(b) of EMIR)

17. Point (b) of Article 38(7) of EMIR foresees that the information to be provided by a CCP shall clearly describe the key assumptions and limitations of the initial margin model and the circumstances under which those assumptions are no longer valid.

18. In order to achieve this objective, ESMA is of the view that the CCP should disclose to their clearing members a description of the events that could lead to a breach of the assumptions and qualitative and quantitative information on the potential impact on margin requirements, as well as information on the performance of the model and on the behaviour of the model during stressed market conditions. In particular, this should include information on:

a) Backtesting, provided in accordance with Article 49(5) of the Commission Delegated Regulation 153/2013;

b) Relevant Sensitivity testing results, allowing the clearing member to understand how the initial margin model reacts to the evolution of parameters or assumptions.

The CCP should also provide information with regard to the processes that will be used by the CCP to regularly monitor and, if necessary, revise the level of its margins to reflect current market conditions taking into account potentially procyclical effects of such revisions. Furthermore, in case of a margin model override, information on how extraordinary margin calls are calculated and called (in accordance with Article 56 of the Commission Delegated Regulation 153/2013) should be provided.

Q2: 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?

Answer 2: BDEW agrees with ESMA's proposal to require CCPs to disclose assumptions and limitations of their margin models, including performance in stressed market conditions and potential model breaches. These disclosures are crucial for robust risk and liquidity management, especially for energy and infrastructure companies operating under volatile market conditions.

As for question 1, the proposed information when not relating to the exclusive bilateral relation between the CCP and clearing member (including CSP) should also be made accessible to the clients and indirect clients of the clearing members. Only then, the effectiveness of these transparency measures can be fully realised if similar transparency is also ensured further down the clearing chain, namely, from CSPs to their clients.

We would further suggest the inclusion of early-warning mechanisms where key assumptions are close to being breached, to enhance proactive margin management. Moreover, independent third-party validation of the model assumptions and stress testing methodologies would add credibility and comparability.

4.1.3 Model documentation (Article 38(7)(c) of EMIR)

19. Point (c) of Article 38(7) of EMIR requires that the information to be provided by a CCP be documented. ESMA proposes that CCPs should be required to make available all documents covering the information described in the previous paragraphs. The documents should be written in a clear and comprehensive manner in a way that enables the clearing member to obtain an in-depth understanding of how the margin model works.

Q3: 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?

Answer 3: BDEW fully supports the requirement under point (c) of Article 38(7) of EMIR that CCPs make their margin model documentation available to clearing members. In our view, comprehensive, accessible and up-to-date documentation is critical to enable market participants to understand and manage margin-related risks effectively.

We propose the following additional clarifications and enhancements:

1. Structured Documentation Approach:
   CCPs should be required to provide documentation in a modular format, clearly separating:
   - Model methodology (e.g. SPAN, VaR, historical simulation),
   - Model parameters and calibration procedures,
   - Margin add-ons and their triggers,
   - Governance and review processes.
2. User-Targeted Versions:
   In addition to full technical documentation, a tiered documentation approach should be adopted:

- Technical annexes for quantitative users and model developers,
- Executive summaries for non-quantitative professionals (e.g. treasury or legal departments),
- FAQ-style explanations for operational staff.

3. Standardisation & Comparability:
   We strongly advocate for harmonised templates or minimum documentation standards across CCPs in the EU. This would allow clearing members to compare models more easily and understand divergences in margin practices.
4. Digital Access and Version Control:
   Documentation should be made accessible via secure digital platforms with clear versioning, change logs, and notification mechanisms to alert users when model changes or parameter updates occur.

However, it is also important to improve clients' understanding. Most market participants, represented by BDEW, are not acting as CMs themselves but are primarily clients of clearing members. A greater transparency at client-level is essential for enabling clients to manage risk effectively, plan liquidity, and anticipate and respond to changes in margin requirements in a timely and informed manner.

We therefore welcome the proposal in ESMAs RTS draft Article 7 that clearing members and CSPs should provide the margin model documentation to their clients, ensuring a consistent baseline of transparency and equal access across the market.

4.2 CCP initial margin simulation tool (Article 38(6) of EMIR)

20. Article 38(6) of EMIR requires a CCP to provide a simulation tool to its clearing members. This tool shall allow the clearing members to determine the amount of additional initial margin at portfolio level that the CCP might require upon the clearing of a new transaction, including a simulation of the margin requirements that they might be subject to under different scenarios. That tool shall only be accessible on a secured access basis, and the results of the simulation shall not be binding.

21. Article 38(10) of EMIR adds that ESMA is required to develop the draft RTS specifying these requirements and the type of the output to be provided. Lastly, Recital 52 of EMIR 3 further adds that ESMA should specify the scope and format of the exchange of information between CCPs and clearing members

4.2.1 Output of margin simulation tool

22. ESMA understands that the 'output of the simulation tool' should be a total amount, composed of the initial margins already posted to the CCP and the additional initial margin required by the CCP upon the clearing of a new transaction. ESMA therefore proposes that the

output amount referring to the initial margin for the existing positions should be distinguished from the amount for new transactions. For the sake clarity, the simulation of collateral is not required as an output.

23. As explained in the previous section, the margin model a CCP uses to calculate initial margins is composed of the core margin to cover for the market risk of the transactions cleared, and of margin add-ons to cater for other risks related to the specific portfolio of the transactions, the aggregate impact of all the portfolios of the clearing member and the individual risk of the clearing member. ESMA therefore proposes that the output of the margin simulation tool should include both the core margin and the margin add-ons that are related only to the portfolio where the positions are being margined, and thus systematically required across clearing members (e.g. portfolio concentration add-on).

24. Furthermore, ESMA proposes that amounts referring to the core margin and individual margin add-ons should be distinguished, to the extent possible, depending on the margin methodology of the CCP. For each amount, the CCP should provide the type of risks covered in the simulation output.

4.2.2 Scenarios

25. ESMA proposes that the margin simulation tool should provide an output for the market conditions at the time of the simulation ('current market conditions'), as well as for a range of different scenarios, including backward-looking and forward-looking scenarios.

26. The output based on the current market conditions should be based at least on the model inputs used by the margin model during the last margin call of the CCP to that clearing member (e.g. margin parameters and market data). The CCP could use more updated margin parameters, but this would risk distorting the output, as the amount of margin for the existing transactions in the portfolio might have evolved since the last margin call.

27. With regard to the 'different' scenarios, it is important that the output allows for a visibility on the potential evolution of the margin amount if the market conditions change. Therefore, ESMA proposes that the margin simulation tool should provide outputs for a number of common scenarios and a range of hypothetical and historical scenarios which could be used as inputs for the margin model and the recalibration of its parameters instead of actual market moves of the time series.

28. ESMA proposes that CCPs should include hypothetical and historical scenarios based on the framework used for identifying extreme but plausible market conditions, in accordance with Chapter VII of the Commission Delegated Regulation 153/2013. The CCP could reuse existing stress scenarios used for the default fund calibration, subject to a minimum number of

scenarios, depending on the risk profile and complexity of the CCP. The scenarios used should be clearly listed and explained in the margin simulation tool. These scenarios should include a list of market shocks impacting both prices and volatility of cleared instruments. ESMA proposes that CCPs include in their margin simulator at least five distinct scenarios (two hypothetical and three historical). However, in order to ensure a minimum level of comparability, the design of those scenarios should be subject to certain requirements, in particular as regards the impact on the initial margin model. Depending on the size and the complexity of the CCP, the CCP should also consider offering more scenarios.

Q4: 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?

Answer 4: BDEW welcomes the introduction of a margin simulation tool as a valuable instrument to enhance transparency and improve liquidity planning for clearing members. We generally support the objectives and the proposed structure of the tool.

We propose the following additions:

1. Re-use of Existing Infrastructure:
   CCPs should be encouraged (but not required) to leverage existing margin calculation engines and stress-testing frameworks to power the simulation tool. This would avoid duplication of effort and reduce implementation costs.
2. Scenario Design Scope:
   ESMA should:
   - avoid overly prescriptive scenario calibration rules, and
   - allow CCPs to use existing stress-testing scenarios (e.g. for default fund calibration) where applicable.
   - Include absolute price shocks: In addition to relative price movements, scenarios should include absolute price shocks, particularly those based on historical stress periods. These allow for more intuitive risk assessments and should be explicitly available as a subset of the scenarios provided.
   - Include forward simulation: As an additional requirement/feature it should be possible to calculate the margin requirements not only at the current date but also at future scenario dates, which would allow the analysis of time to maturity and seasonality effects critical for funding and collateral planning.

- Paragraph 20 of the consultation states: “Article 38(6) of EMIR requires a CCP to provide a simulation tool to its clearing members. This tool shall allow the clearing members to determine the amount of additional initial margin at portfolio level that the CCP might require upon the clearing of a new transaction, including a simulation of the margin requirements that they might be subject to under different scenarios. That tool shall only be accessible on a secured access basis,” While we acknowledge that this requirement comes from EMIR 3.0 level 1 text, we wonder if such a simulation is really meaningful, especially if it covers only one new trade and not a portfolio of new trades. Simulating only one new trade would only have a use case for particular large OTC transactions. For futures, such a simulator would likely not be used much. Given that CCP margin is the key component of margin calls to clients, and that many or even the majority of clients do not pay additional margin above the CCP margin, the CCP simulator will cover the majority of margin simulation, both for clearing members and also for many or the majority of clients. To make the overall system more efficient, we therefore would have hoped for a requirement for CCPs to provide their simulation tool also to clients.

3. Avoiding Legal Ambiguity and Liability Risk:
   BDEW supports the principle that simulation results are non-binding. However, we recommend that ESMA explicitly clarifies the legal status of simulation outputs in the RTS and provides a liability-safe harbour for CCPs offering such tools in good faith.
4. Interface and Confidentiality:
   The simulation tool should be accessible via a secured web interface or API, allowing integration into members’ risk systems while maintaining robust confidentiality and access control. However, the requirement for detailed model decomposition (e.g. per risk type) should be limited to what is technically feasible within the existing margining framework.

5 EMIR margin model transparency requirements for Clearing Service Providers

5.1 Client clearing margin model information

29. Article 38(8) of EMIR foresees that CSPs shall ensure transparency towards their clients with regard to the margin model used for the client margin calls. Recital 52 explains that the main objective of this transparency requirement is to improve clients’ ability to reasonably predict margin calls and prepare themselves for collateral requests, particularly in stress events.

30. Article 38(10) of EMIR adds that ESMA is required to further specify the information to be provided by CSPs to their clients. ESMA understands that the information provided by the CSPs to their clients should be comparable to the information provided by the CCP to its clearing members, information without which clients would be at risk of having an incomplete view of their margin requirements.

5.1.1 Information on CCP margin practices (Article 38(8)(a) of EMIR)

31. Point (a) of Article 38(8) of EMIR requires that CSPs disclose to their clients information concerning the way the margin models of the CCP work. The third sub-paragraph also foresees that the CSPs transmit the information received by the CCP to their clients, where appropriate.

32. ESMA proposes that CSPs should share with their clients the information received from the CCP under Article 38(7) of EMIR (or from their CSP, where applicable) which is necessary for the client to understand the way the margin model of the CCP works.

5.1.2 Situation and conditions for margin calls (Article 38(8)(b) of EMIR

33. Point (b) of Article 38(8) provides that CSPs shall provide information to their clients with regard to the situations and conditions that may trigger margin calls.

34. ESMA proposes that the CSP should thus provide to its clients information with regard to the conditions (including market stress) which would result in a review of the margin model.

5.1.3 Information on CSP margin model (Article 38(8)(c) of EMIR

35. Point (c) of Article 38(8) of EMIR requires that CSPs provide information to their clients on the procedures used to establish the amount to be posted by the clients. This is understood by ESMA as complementary to the information provided under point (a) of Article 38(8) of EMIR.

36. Therefore, ESMA proposes that CSPs should explain to their clients any additional margins applied by the CSP (e.g. multipliers or other types) in addition to the margin required by the CCP. Moreover, CSPs should inform the clients how the margin called by the CCPs is passed through to their clients.

37. If the margin requested by a CSP of its clients deviates from the margin requirement computed by the CCP, the CSP should disclose to its clients the methodology it uses to compute margin requirements for its clients, including, if applicable, any margin models that the CSP may employ. ESMA proposes that the CSPs provide comparable information as required under point (a) of Article 38(8) of EMIR for this model, and take into account the complexity of the models. This information should also be comparable to the information provided by CCPs to

clearing members under Article 38(7) of EMIR, notably on the model design of the core margin (e.g. SPAN, VaR) and the calibration of the model parameters, as well as margin add-ons, covering for the other risks than market risk (if applicable). In addition, CSPs should disclose to their clients the rationale for, and magnitude of, any deviations from the CCP model.

5.1.4 Operational arrangements and procedures (Article 38(8)(b) and (c) of EMIR)

38. Finally, points (b) and (c) of Article 38(8) of EMIR also refer to the operational arrangements of the way CSPs call margins to their clients. These should be clearly explained by the CSPs to their clients.

39. In particular, ESMA proposes that CSPs should inform their clients about any thresholds which might trigger margin calls, as well as any limits to which the client may submit transactions for clearing. Moreover, CSPs should provide detailed information on the deadlines for clients to provide collateral and how the excess collateral is returned to the client. Finally, the CSP should inform its clients on the notice period applicable in cases when the calibration of client margins is modified.

Q5: Do you agree with the proposed information to be shared by CSPs on their margin models? Should any other element be taken into account?

Answer 5: BDEW welcomes the requirement for CSPs to provide the same level of transparency to their clients as CCPs provide to clearing members. Hence, CSPs should make available to their clients all relevant information received from the CCP, particularly where it relates to margin requirements and margin add-ons that directly affect the client's exposure. In addition to relaying CCP data, CSPs should fully disclose any additional margin requirements they impose. This is particularly important as some CSPs apply additional margin multipliers or internal models, which can significantly affect end-clients' liquidity positions.

We therefore recommend the mandatory disclosure of:

- Margin add-ons or multipliers applied by CSPs.
- Justifications for deviations from CCP models.
- Information on the timing and triggers for margin recalibration.

Such transparency is essential to avoid unexpected collateral demands and to ensure fair treatment across the clearing chain.

The effort for CSPs is partially limited because most of CCPs already make their margin documentation and calculation tools available to all market participants. Where clients are not granted access to this information directly, CSPs should pass through the information, which is made available to them, to preserve comparability and ensure a level playing field across the market.

5.2 Simulation of client margin (Article 38(8)(d) of EMIR)

40. Point (d) of Article 38(8) of EMIR foresees that CSPs shall provide to clients a simulation of the margin requirements the clients may be subject to under different scenarios. Article 38(10) of EMIR adds that ESMA is required to develop draft RTS specifying these requirements and the type of output to be provided.

41. According to the second subparagraph of Article 38(8) of EMIR, the simulation shall include both the margins required by the CCP and any additional margins required by the CSPs. This information should be transmitted to clients providing clearing services, so that it can reach the end client. It is therefore understood that the output of the simulation should provide a breakdown of the margins required by the CCP and each of the types of additional margins required by the CSP.

42. The third subparagraph of Article 38(8) of EMIR foresees that CCPs shall provide clearing members with the information necessary to comply with the first subparagraph of Article 38(8) of EMIR, including point (d). In order to provide the simulation of the margins required by the CCP, the CSP could either replicate the CCP's margin methodology based on the information provided under Article 38(7) of EMIR or use the simulation tool provided by the CCP in accordance with Article 38(6) of EMIR. To allow the possibility of the latter option, the simulation tool provided by the CCPs should allow the CSPs to simulate the positions of their clients.

43. ESMA understands the additional margins required by the CSPs as the difference between the total margins required by the CSPs and the margins required by the CCP. Therefore, CSPs should provide in the output of the simulation both of the aforementioned amounts. If the CSP provides access to the client to several CCPs, the CSP should also provide a breakdown of the initial margin amounts required by each CCP in its simulation.

Q6: Do you agree with the proposals on the margin simulations to be provided by CSPs? Should there be any additional requirements?

Answer 6: BDEW agrees with the proposal that CSPs should provide margin simulations to their clients, including a clear breakdown of CCP and any additional CSP margin components.

This requirement will significantly improve transparency and preparedness for collateral management.

We suggest that the simulation tools:

- Allow clients to input hypothetical trades or portfolio changes.
- Reflect CCP model parameters accurately and in real-time where possible.
- Clearly document the margin methodologies used by CSPs, especially in cases of internal models.
- Be accessible in a user-friendly format and ideally via digital platforms.
- Include outcomes of CSPs own regular, systemic simulations of client portfolios to allow comparison against internal assessments, fostering greater alignment, resilience and sophistication in margin risk management across the clearing chain.

This approach will enhance clients' ability to anticipate margin impacts and meet regulatory requirements effectively.

6 Annexes

6.1 Annex I – Summary of questions

Q1: 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?

Q2: 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?

Q3: 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?

Q4: 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?

Q5: Do you agree with the proposed information to be shared by CSPs on their margin models? Should any other element be taken into account?

Q6: Do you agree with the proposals on the margin simulations to be provided by CSPs? Should there be any additional requirements?

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