

# B.11

## CIRO, Marketplaces, Clearing Agencies and Trade Repositories

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### B.11.1 CIRO

#### B.11.1.1 Canadian Investment Regulatory Organization (CIRO) – Republication of Proposed Amendments Regarding Margin Requirements for Structured Products – Request for Comment

##### REQUEST FOR COMMENT

##### CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)

##### REPUBLICATION OF PROPOSED AMENDMENTS REGARDING MARGIN REQUIREMENTS FOR STRUCTURED PRODUCTS

CIRO is republishing for comment revisions to previously proposed amendments that would allow qualifying structured products to be margin eligible (**Proposed Amendments**).

The Investment Industry Regulatory Organization of Canada (**IIROC**) initially published, on February 25, 2021 in IIROC Rules Notice 21-0032, proposed amendments that would allow the margining of structured products using either a conservative fixed margin rate or an alternative component margining methodology. Following concerns raised in letters received during the public comment period, revisions were made to the 2021 proposal.

The main purpose of the Proposed Amendments is to set a margin methodology for structured products which considers the different risk profiles of the two main structured product types. The Proposed Amendments would:

- require a fixed margin rate of 50% for principal at risk notes and 30% for principal protected notes that meet eligibility criteria;
- clarify the requirements for reporting concentration exposures in structured products on Form 1; and
- maintain the allowance of an alternative component-based margin methodology.

A copy of the CIRO Bulletin, including the text of the Proposed Amendments, is also published on our website at [www.osc.ca](http://www.osc.ca). The comment period ends on September 18, 2023.