

March 14, 2019

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**To: ALL DEALING MEMBER (BANKS) OF FMDQ OTC SECURITIES EXCHANGE**  
**From: MARKET REGULATION GROUP**

## REPORTING OF CLIENTS' INITIAL AND VARIATION MARGINS

1. The following guidance is issued as a reminder to all Dealing Member (Banks) ("DMBs"), pursuant to section 5.3. of the OTC FX Futures Market Operational Standards (the "Standards"):

*DMBs should however note that all transactions with Clients will be subject to the standard margin requirements prescribed by FMDQ and the Clearing Agent, or the DMBs' stipulated margin requirements for the respective Clients, whichever is higher. Consequently, **DMBs are required to report the value of Initial and Variation Margins received for each Client trade on the day the Margin is obtained on the FFTRS.** DMBs are also required to, update on the FFTRS, details of the return of Clients' attendant Margins on matured OTC FX Futures contracts.*

2. In the interest of clarity, we wish to reiterate the requirement for all DMBs to update the FMDQ Futures Trading & Reporting System (FFTRS) with the value of initial and variation margins received for each Client trade as prescribed by the Standards **and** especially where the value of the DMB stipulated margin requirement is higher than FMDQ's stipulated margin requirement.
3. Failure to accurately report the value of the margin requirement stipulated for Client's OTC FX Futures contract(s) on the FFTRS or such other FMDQ-advised media shall be considered an infraction which shall activate the attendant penalties outlined in the [OTC FX Futures Market Infractions & Penalties Guide](#).
4. DMBs are hereby directed to take note of the above guidance and ensure compliance.

*Should you require any further clarification/information with respect to this Market Bulletin, please do not hesitate to contact the Market Regulation Group at [mrg@fmdqotc.com](mailto:mrg@fmdqotc.com).*