

# Chapter 1

## Commission Delegated Regulation (EU) 2016/2251

## Article 11 Calculation of initial margin

(1) Counterparties shall calculate the amount of initial margin to be collected using either the standardised approach set out in Annex IV or the initial margin models referred to in Section 4 or both.

(2) The collection of initial margin shall be performed without offsetting the initial margin amounts between the two counterparties.

(3) Where counterparties use both the standardised approach set out in Annex IV and the initial margin models referred to in Section 4 in relation to the same netting set, they shall use them consistently for each non-centrally cleared OTC derivative contract.

(4) Counterparties calculating the initial margin in accordance with Section 4 shall not take into account any correlations between the value of the unsecured exposure and the collateral in that calculation.

(5) Counterparties shall agree on the method each counterparty uses to determine the initial margin it has to collect but are not required to use a common methodology.

(6) Where one or both counterparties rely on an initial margin model they shall agree on the model developed pursuant to Section 4.