

MEMO# 32781

September 25, 2020

EU Recognition of UK CCPs

[32781]

September 25, 2020 TO: ICI Global Members
Derivatives Markets Advisory Committee
Global Advocacy Coordination Advisory Committee
ICI Global Brexit Task Force
ICI Global Regulated Funds Committee
ICI Global Trading & Markets Committee SUBJECTS: International/Global RE: EU Recognition of UK CCPs

On 21 September 2020, the European Commission (“the Commission”) confirmed^[1] that the EU will grant UK Central Counterparties (CCPs) 18 months additional temporary equivalence under EMIR^[2] from 1 January 2021 (the date from which the Brexit implementation period expires) until 30 June 2022.^[3]

The Commission has provided the additional temporary equivalence to protect financial stability and enable financial market participants to reduce their exposure to UK CCPs.

The final delegated acts for third country CCPs under EMIR 2.2^[4] covering tiering,^[5] comparable compliance^[6] and fees^[7] have been published and entered into force on 22 September 2020.

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endnotes

^[1] European Commission Press Release: Financial Stability – Commission adopts time-limited decision giving market participants the time needed to reduce exposure to UK central counterparties (CCPs), 21 September 2020, *available from* https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1713

^[2] Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories, *available from* <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012R0648>

[3] Commission Implementing Decision (EU) 2020/1308 of 21 September 2020 determining, for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent, in accordance with Regulation (EU) No 648/2012, *available from*
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020D1308>

[4] Regulation (EU) 2019/2099 of the European Parliament and of the Council of 23 October 2019 amending Regulation (EU) No 648/2012 as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs, *available from*
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2099>

[5] Commission Delegated Regulation (EU) 2020/1303 of 14 July 2020 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to the criteria that ESMA should take into account to determine whether a central counterparty established in a third country is systemically important or likely to become systemically important for the financial stability of the Union or of one or more of its Member States, *available from*
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.305.01.0007.01.ENG&toc=OJ:L:2020:305:TOC

[6] Commission Delegated Regulation (EU) 2020/1304 of 14 July 2020 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to the minimum elements to be assessed by ESMA when assessing third-country CCPs' requests for comparable compliance and the modalities and conditions of that assessment, *available from*
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.305.01.0013.01.ENG&toc=OJ:L:2020:305:TOC

[7] Commission Delegated Regulation (EU) 2020/1302 of 14 July 2020 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to fees charged by the European Securities and Markets Authority to central counterparties established in third countries, *available from*
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.305.01.0001.01.ENG&toc=OJ:L:2020:305:TOC