



FOCUS

EMIR 2.2

Updated in June 2024

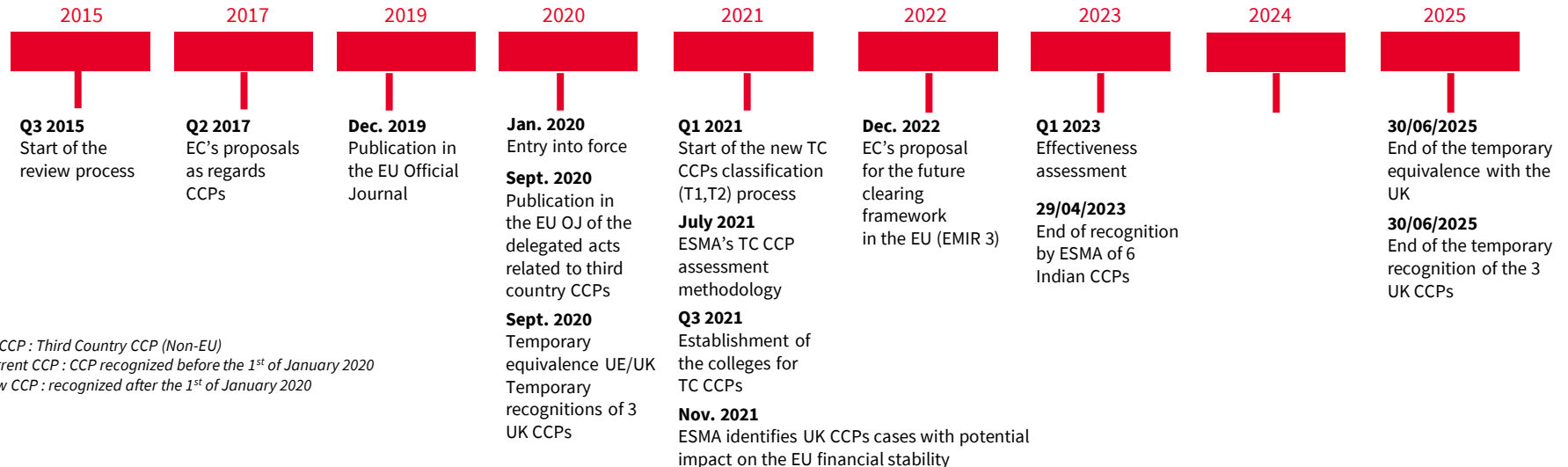
Updated in June 2024

REGULATORY EVOLUTION

- **Creation of a permanent internal ESMA's committee** (the CCP Supervisory Committee) for all CCPs (European and non-European)
- **CCP's colleges:** improvement of their governance; creation of colleges for non-EU CCPs (third country CCPs)
- **Classification of non-EU CCPs (Third Country CCPs):** in Tier 1 or Tier 2
- **Withdrawal / limitation of activities for non-EU CCPs**
- **Equivalence** between EMIR and the legal and supervisory framework of third countries

FOCAL POINTS

- The aim of this new committee is to address inconsistencies in the supervision of CCPs (Eu and non-EU). It will also be able to propose to the ESMA Board of Supervisors the issuance of ESMA's guidelines, opinions, ...
- The scope of members is broader; members will be authorized to contribute to set up of the meetings' agenda; colleges will be able to provide opinions. The principle of CCPs colleges is extended to non-EU CCPs
- New classification of third country CCPs into Tier 1 / Tier 2, depending on the systemic risk they may pose for the Union; the conditions for a "Tier 2" CCP to be recognized by ESMA will be more stringent
- As a last resort measure, the European Commission may impose a non-EU CCP to relocate part / all its clearing activity in a Member State
- Introduction of a regular monitoring of regulatory and supervisory developments in third countries to be conducted by ESMA



Updated in June 2024

STATEMENT

- The regulation has entered into force on the 2nd of January 2020. However, measures related to non-EU CCPs will not apply before the publication of the delegated acts (level 2 texts)
- Delegated acts on the criteria for tiering, comparable compliance and fees for third country CCPs have been published in the EU OJ (21/09/2020)
- Level 3: ESMA has issued a methodology for assessing a third country CCP (12/07/2021)
- EC has issued a temporary equivalence decision for the UK on the 21st of September 2020 and ESMA on the 28th of September 2020 has temporarily recognised 3 UK CCPs (LME Clear Limited as Tier 1 CCP, ICE Clear Limited as Tier 2 CCP, LCH Limited as Tier 2 CCP). Both the temporary equivalence and the temporary recognition are now extended until the 30th of June 2025
- January 2022, ESMA has updated its Methodology for Mandatory Peer Reviews in relation to CCPs' authorisation and supervision under EMIR
- EC continues to adopt equivalences with third countries
- Next step: December 2022, the EC has issued a draft text reviewing EMIR (both EMIR Refit and EMIR 2.2 sections): EMIR 3

FOR YOUR CONSIDERATION

- The main point of attention should be on these Tier 2 CCPs and the likelihood for one of them to be under a relocation requirement
- The EC temporary decision is based on the current state of regulation in the UK; the equivalence could be revoked by the EC at any time
- The EC has started its work on the future clearing framework in the UE
- De-recognition of 6 Indian CCPs: AMF and Bafin to give until the 31st of October 2024 for the membership termination

sylvie.bonduelle@sgss.socgen.com

 If you want to know more, refer to
Fiche To Know More

"This document is for informational purposes only. Under no circumstance should it, in whole or in part, be considered as an offer to enter into a transaction. This document is not intended to have an advisory character or intended to represent an investment recommendation or a recommendation regarding a certain strategy, product or service. Although information contained herein is from sources believed to be reliable, Societe Generale makes no representation or warranty regarding the accuracy of any information and is not responsible for errors of any kind. Any reproduction, disclosure or dissemination of these materials is prohibited. The products and services described within this document are not suitable for everyone. This document is not intended for use by or targeted at retail clients. All of the products and/or services described may not be available in all jurisdictions"