

# Treatment of concentration risk towards central counterparties and the counterparty risk on centrally cleared derivative transactions

2022/0404(COD) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 448 votes to 120, with 21 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directives 2009/65/EU, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk towards central counterparties and the counterparty risk on centrally cleared derivative transactions.

The European Parliament adopted its position at first reading under the ordinary legislative procedure.

The Directive aims to ensure that credit institutions, investment firms and their competent authorities adequately monitor and mitigate the concentration risk arising from exposures towards Tier 2 CCPs which offer services of substantial systemic importance and eliminating counterparty risk limits for derivative transactions that are centrally cleared by a CCP authorised or recognised in accordance with Regulation (EU) No 648/2012.

The amended text stresses that while competent authorities already have a comprehensive set of supervisory measures and powers to address deficiencies in the risk management practices of institutions and investment firms, including the requirement to have additional own funds for risks that are not, or not adequately, covered by the existing capital requirements, that set of supervisory measures and powers should be enhanced with additional, more specific tools and powers in the context of prudential supervision of excessive concentration risk arising from exposures towards central counterparties.

Member States should transpose the Directive no later than 18 months from the date of entry into force of the [Regulation](#) of the European Parliament and of the Council amending Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 with measures to mitigate excessive exposures to third country CCPs and improve the efficiency of EU clearing markets.