

Procedure file

Basic information		
DEA - Delegated acts procedure	2018/3003(DEA)	Procedure completed - delegated act enters into force
Date until which counterparties may continue to apply their risk-management procedures for certain OTC derivative contracts not cleared by a CCP		
Supplementing 2010/0250(COD)		
Subject		
2.50.03 Securities and financial markets, stock exchange, CIUTS, investments		
2.50.08 Financial services, financial reporting and auditing		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs		

Key events			
19/12/2018	Non-legislative basic document published	C(2018)09118	
19/12/2018	Initial period for examining delegated act 3 month(s)		
16/01/2019	Committee referral announced in Parliament		
29/01/2019	Delegated act not objected by Parliament		
13/02/2019	Decision by Parliament	T8-0102/2019	Summary

Technical information	
Procedure reference	2018/3003(DEA)
Procedure type	DEA - Delegated acts procedure
Procedure subtype	Examination of delegated act
Legal basis	Rules of Procedure EP 0114-p6
Stage reached in procedure	Procedure completed - delegated act enters into force
Committee dossier	ECON/8/15260

Documentation gateway					
Non-legislative basic document		C(2018)09118	19/12/2018	EC	
Recommendation for early non-objection of delegated act		B8-0089/2019	31/01/2019	EP	

Text adopted by Parliament, single reading	T8-0102/2019	13/02/2019	EP	Summary
Document attached to the procedure	C(2019)5465	17/07/2019	EC	

Date until which counterparties may continue to apply their risk-management procedures for certain OTC derivative contracts not cleared by a CCP

The European Parliament declared it has no objections to the Commission delegated regulation of 19 December 2018 amending Delegated Regulation (EU) 2016/2251 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council as regards the date until which counterparties may continue to apply their risk management procedures for certain OTC derivative contracts not cleared by a CCP.

As of the withdrawal date, counterparties established in the United Kingdom will no longer be able to perform certain so-called life-cycle events (such as novations, unwinding by entering into an offsetting transaction, compression with new replacement contracts, etc.) in the EU under the current passport regime.

The performance of those life-cycle events on certain cross-border (UK-EU27) contracts may require authorisation in Member States, in line with national third country regimes that still prevail today under Regulation (EU) No 600/2014. These counterparties established in the United Kingdom could then face up to 27 different national third-country regimes.

The delegated act contains important rules related to transactions concluded between a counterparty established in the United Kingdom and a counterparty established in the EU-27 and is part of the package of contingency measures in the event of a no-deal Brexit.

Parliament agreed on the importance for competent authorities and financial markets of exempting certain transactions resulting from a novation, for a limited period of 12 months, if the counterparty established in the UK is changed to a counterparty within the EU-27.

Parliament considered that the RTS adopted are not the same as the draft RTS submitted by the European Supervisory Authorities (ESAs) owing to the Commission's changes that were introduced in this draft. It considered that it has three months (the scrutiny period) to object to the RTS.

Parliament urged the Commission to indicate the one-month scrutiny period only in cases where the Commission has adopted the ESAs drafts without changes, i.e. where the draft and the adopted RTS are the same.