



FOCUS

EMIR 2.2

Updated in June 2020

MAIN 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

CRITICAL POINTS

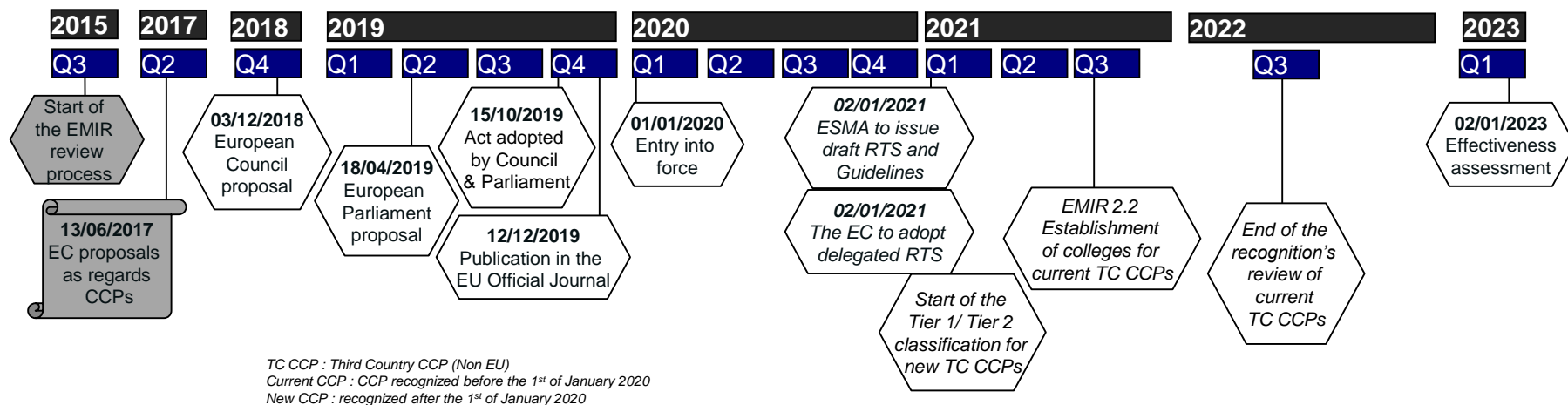
The aim of this new committee is to address inconsistencies in the supervision of CCPs (Eu and non EU). It will also be able to propose to the ESMA Board of Supervisors the issuance of ESMA's guidelines, opinions, ..

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 of 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 on the 12th of June 2020

- Central Counterparties (CCPs)
- ESMA's role
- Equivalence
- Third countries CCPs
- Supervision
- Financial Stability

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 :
 - ESMA is expected to provide the European Commission with several Draft RTS by the 2nd January 2021
 - The Commission shall adopt, after consultation of ESMA and other experts, delegated acts related to the criteria to be used for the classification of TC CCPs
- ❑ Level 3: ESMA is expected to issue Guidelines by the 2nd January 2021 specifying the common procedures and methodologies for the supervisory review and evaluation process (for EU CCPs)

FOR YOUR CONSIDERATION

- ❑ The main point of attention should be on these future Tier 2 CCPs and the likelihood for one of them to be under a relocation requirement
- ❑ The interaction with the Brexit. 3 CCPs are concerned (LCH Ltd, ICE Clear Europe Ltd and LME Clear Ltd). The European Commission has stated that there will be an equivalence during one year as of the UK becomes a third country and ESMA has extended the recognition for the 3 CCPs accordingly.

Contact SGSS: Sylvie Bonduelle



sylvie.bonduelle@sgss.socgen.com

To know more please refer to:
FicheEMIR2.2-ToKnowMore

"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, Société Générale 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 customers. All of the products and/or services described may not be available in all jurisdictions"