

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

2022/0404(COD) - 05/12/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Danuta Maria HÜBNER (EPP, PL) 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 committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

The report stressed that Directives 2013/36/EU and (EU) 2019/2034 should be amended to further **clarify the role of competent authorities** in addressing any excessive concentration risk that may arise from exposures of credit institutions and investment firms under their supervision towards CCPs, in particular third-country CCPs that are of substantial systemic importance to the Union or one or more of its Member States and offer services identified by the European Securities and Markets Authority (ESMA) as being of substantial systemic importance.

Furthermore, competent authorities should be better equipped with additional, more granular, tools and powers under the Pillar 2 to enable them to take suitable and decisive actions based on the conclusions of their supervisory assessments.

Members also considered that competent authorities should be empowered to **review the plans** which credit institutions and investment firms are required to develop, taking into account the methodology for the calibration of the active account requirement. To appropriately review such plans, competent authorities should have at their disposal the details of the level of clearing services identified as being of substantial systemic importance to be maintained in the **active accounts** in Union CCPs by financial and non-financial counterparties subject to the clearing obligation specified in Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.