

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

2022/0404(COD) - 04/12/2024 - Final act

PURPOSE: to amend Directives 2009/65/EU, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk towards central counterparties (CCPs) and the counterparty risk on centrally cleared derivative transactions.

LEGISLATIVE ACT: Directive (EU) 2024/2994 of the European Parliament and of the Council amending Directives 2009/65/EC, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk arising from exposures towards central counterparties and of counterparty risk in centrally cleared derivative transactions.

CONTENT: the new rules on clearing services that revise the European Market Infrastructure [Regulation](#) and Directive (EMIR) aim to make the European clearing arrangements more attractive and resilient, strengthen the EU's open strategic autonomy and safeguard the EU's financial stability. They improve EU clearing services by streamlining and shortening procedures, improving consistency between rules and strengthening the supervision of central counterparties. The amending 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 on OTC derivatives, central counterparties and trade repositories.

The Directive underlines 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 under Pillar 2 in the context of excessive concentration risk arising from exposures towards CCPs.

ENTRY INTO FORCE: 24.12.2024.

TRANSPOSITION: no later than 25.6.2026.