Basic information

2022/2899(DEA)

Procedure completed - delegated act enters into force

DEA - Delegated acts procedure

Value of the clearing threshold for positions held in OTC commodity derivative contracts and other OTC derivative contracts

Supplementing 2010/0250(COD)

Subject

 $2.50.03 \; \text{Securities}$ and financial markets, stock exchange, CIUTS, investments

 $2.50.08\ \mbox{Financial}$ services, financial reporting and auditing

2.50.10 Financial supervision

European Parliament

Committee responsible

Rapporteur

Appointed

TINAGLI Irene (S&D)

26/10/2022

Key events				
Date	Event	Reference	Summary	
18/10/2022	Non-legislative basic document published	C(2022)07413		
18/10/2022	Initial period for examining delegated act 3 month(s)			
09/11/2022	Committee referral announced in Parliament			
21/11/2022	Delegated act not objected by Council			
24/11/2022	Decision by Parliament	T9-0416/2022	Summary	
24/11/2022	Results of vote in Parliament	E		
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Technical information				
Procedure reference	2022/2899(DEA)			
Procedure type	DEA - Delegated acts procedure			
Procedure subtype	Examination of delegated act			
Amendments and repeals	Supplementing 2010/0250(COD)			
Legal basis	Rules of Procedure EP 0114-p6			
Stage reached in procedure	Procedure completed - delegated act enters into force			
Committee dossier	ECON/9/10354			

Documentation gateway								
European Parliament								
Document type	Committee	Reference	Date	Summary				
Recommendation for early non-objection of delegated act		B9-0490/2022	17/11/2022					
Text adopted by Parliament, single reading		T9-0416/2022		Summary				
European Commission								
Document type		prence	Date	Summary				
Non-legislative basic document		022)07413	18/10/2022					

Value of the clearing threshold for positions held in OTC commodity derivative contracts and other OTC derivative contracts

2022/2899(DEA) - 24/11/2022 - Text adopted by Parliament, single reading

The European Parliament decided not to object to the Commission's Delegated Regulation of 18 October 2022 amending the regulatory technical standards laid down in Delegated Regulation No (EU) 149/2013 as regards the value of the clearing threshold for positions held in OTC commodity derivative contracts and other OTC derivative contracts.

Parliament recalled that commodity prices have increased recently, significantly exacerbated by Russia's military aggression against Ukraine. Rising prices and extreme volatility on energy derivative markets have recently led to higher margin calls by central counterparties for energy companies to cover the related exposures. This situation has created liquidity strains for non-financial counterparties, such as energy companies.

Energy companies which have often less liquid assets to meet margin requirements may be forced to either reduce their positions or leave them improperly hedged, thus exposing them to further price variations. Energy companies should maintain the financial ability and liquidity to secure supplies and purchases of energy commodities in the medium term - while preserving financial stability - in order to benefit Union households and businesses.

The Commission asked ESMA on 13 September 2022 to consider whether Delegated Regulation (EU) No 149/2013 should be temporarily amended to alleviate some of these burdens.

In its response of 22 September 2022, ESMA indicated that it submitted its draft regulatory technical standards on commodity clearing thresholds on 3 June 2022 to the Commission that proposed to increase the commodity clearing threshold by EUR 1 billion, bringing it to EUR 4 billion.

ESMA confirmed the appropriateness of the proposed increase and invited the Commission to adopt that measure as soon as possible.

Therefore, the Commission adopted the Delegated Regulation which increases the clearing threshold value for positions held in OTC commodity derivatives stipulated in Delegated Regulation (EU) No 149/2013 from EUR 3 billion to EUR 4 billion.

Parliament considers that the delegated regulation should enter into force as a matter of urgency in order to alleviate the increased liquidity pressure of energy companies.