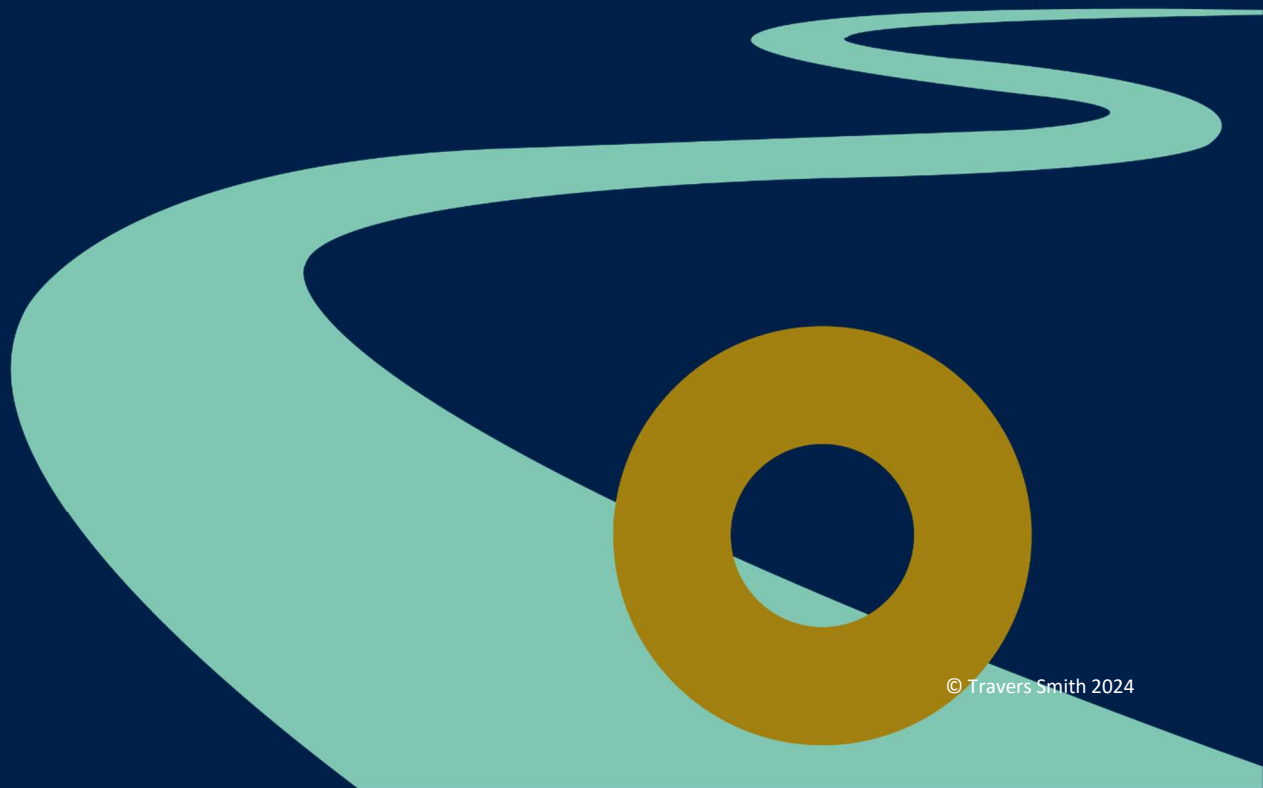


# EMIR 3.0 webinar: What's new and what's next?

July 2024



# Housekeeping

- If you are watching live, please type your question into the Q&A box on the top right-hand side
- This session is recorded. You will receive a link to the recording after the webinar
- We will also be sharing a copy of the slides alongside the recording
- If you are watching on demand, please e-mail your questions to any of the speakers

# Today's speakers



**JONATHAN GILMOUR**

Partner, Head of Derivatives & Structured Products

[jonathan.gilmour@traverssmith.com](mailto:jonathan.gilmour@traverssmith.com)

+44 (0)20 7295 3425



**JOSEPH WREN**

Partner, Derivatives & Structured Products

[joseph.wren@traverssmith.com](mailto:joseph.wren@traverssmith.com)

+44 (0)20 7295 3401



**SANA DOSSA**

Senior Associate, Derivatives & Structured Products

[sana.dossa@traverssmith.com](mailto:sana.dossa@traverssmith.com)

+44 (0)20 7295 3590



**ELINOR SAMUEL**

Associate, Derivatives & Structured Products

[elinor.samuel@traverssmith.com](mailto:elinor.samuel@traverssmith.com)

+44 (0)20 7295 3315

# Agenda



Introduction



When will EMIR 3.0 come into force?



How will the **clearing** threshold calculations change?



What are the new **reporting** requirements?



How are the **margin** rules changing?



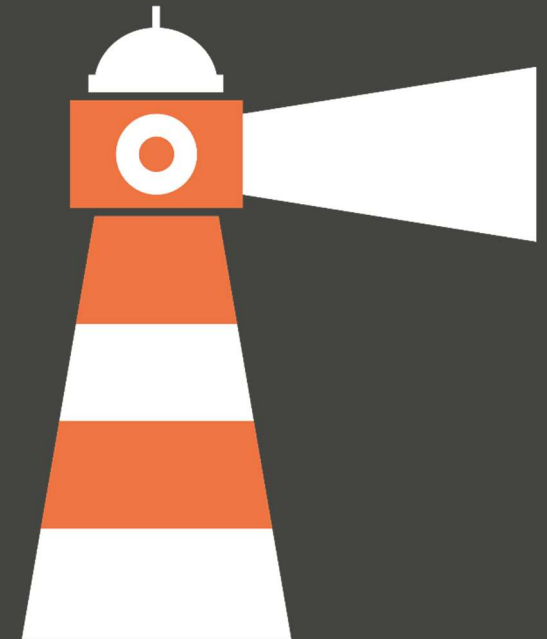
How are the rules around **intra-group transactions** and **equivalence** changing?



What is the **active accounts requirement**?



Next steps?



# Introduction

## Three pillars



Reporting



Clearing

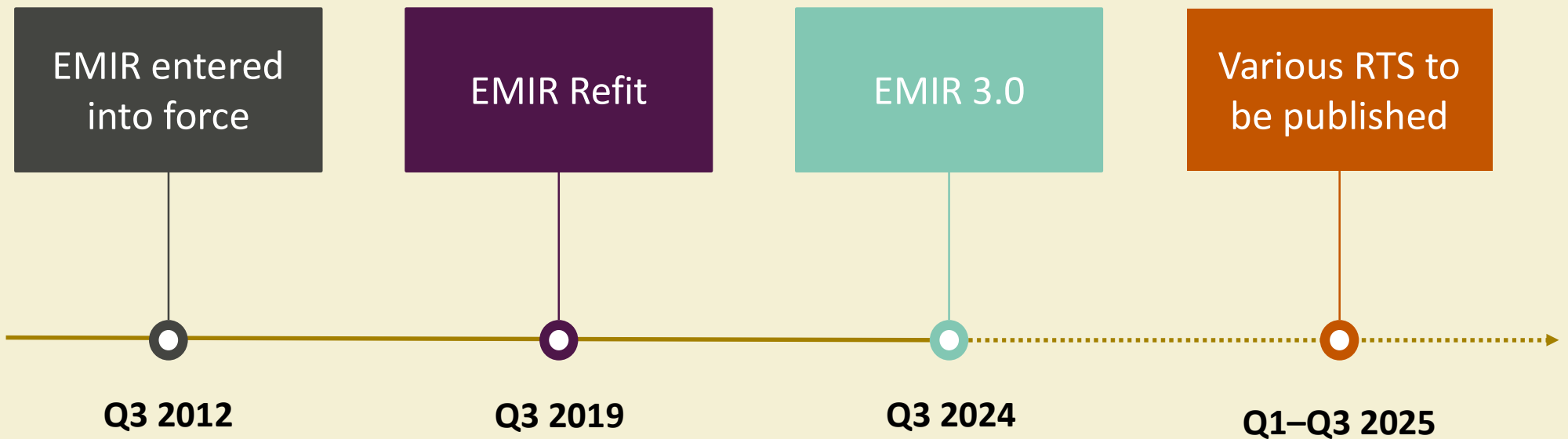


Risk  
mitigation

## Clearing Thresholds

Credit derivatives	€1 billion
Equity derivatives	
Interest rate derivatives	€3 billion
Foreign exchange derivatives	
Commodity derivatives	€4 billion
All other OTC derivatives	

# When will EMIR 3.0 come into force?



# How will the **clearing** threshold calculations change?

## NFCs



An NFC will only need to include its **own** uncleared speculative derivatives

## FCs



An FC will need to include:

- i. The uncleared positions of the FC and all the entities (i.e. both FCs and NFCs) in its group; or
- ii. The aggregate of cleared and uncleared OTC derivatives entered into by the FC and all the entities (i.e. both FCs and NFCs) in its group

# Third country pension schemes – clearing exemption

A UK (or other non-EU) pension scheme will be exempt from the clearing obligation if the scheme:

- (i) is authorised, supervised and recognised under national law; and
- (ii) benefits from a clearing exemption under its own jurisdiction

# What are the new **reporting** requirements?



Requirement to put in place “appropriate procedures and arrangements” to ensure the quality of reported data



Penalties for reporting errors



Narrowing of the intra-group reporting exemption



# How are the **margin** rules changing?



Exemption from initial and variation margin for uncleared single stock equity options and equity index option

Exemption to be reviewed every 3 years



NFC margin implementation period

New 4-month implementation period for NFCs which become subject to mandatory margin requirements

# How are the rules around **intra-group transactions** and **equivalence** changing?



## Removal of Need for Equivalence Decision

---

- Requirement for an equivalence decision is replaced with a requirement that the third country entity is not in a "high risk" jurisdiction



## Article 13 Equivalence

---

- Deemed compliance will only apply to margin requirements
- Conflicting rules governing clearing and reporting may arise when trading with third countries

# What is the **active account requirement**?



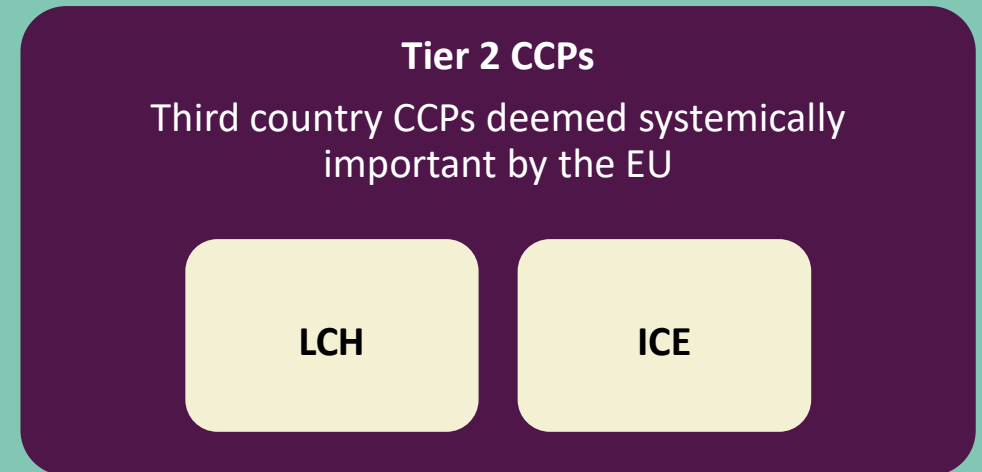
What is required?



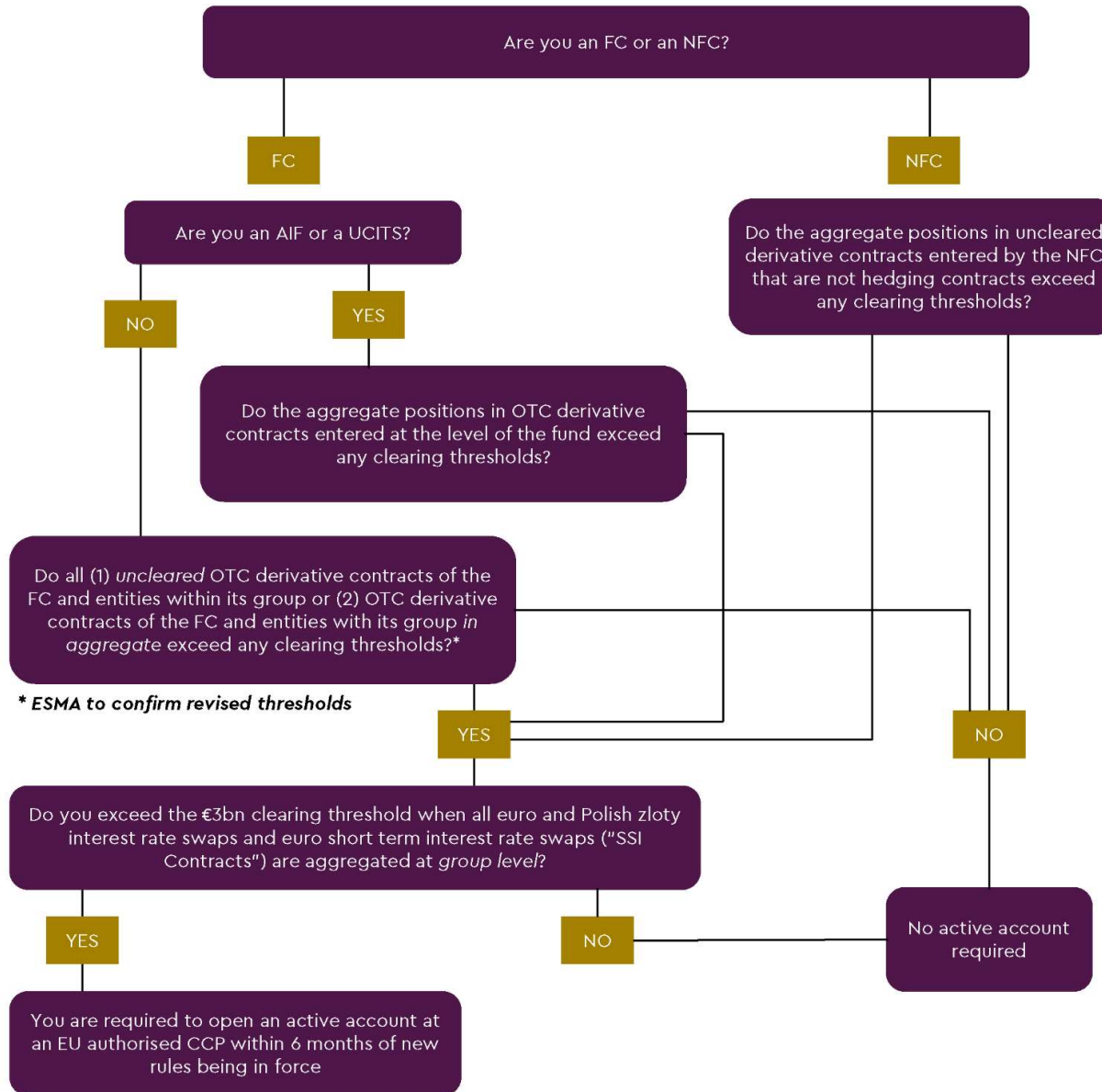
Why is this being introduced?



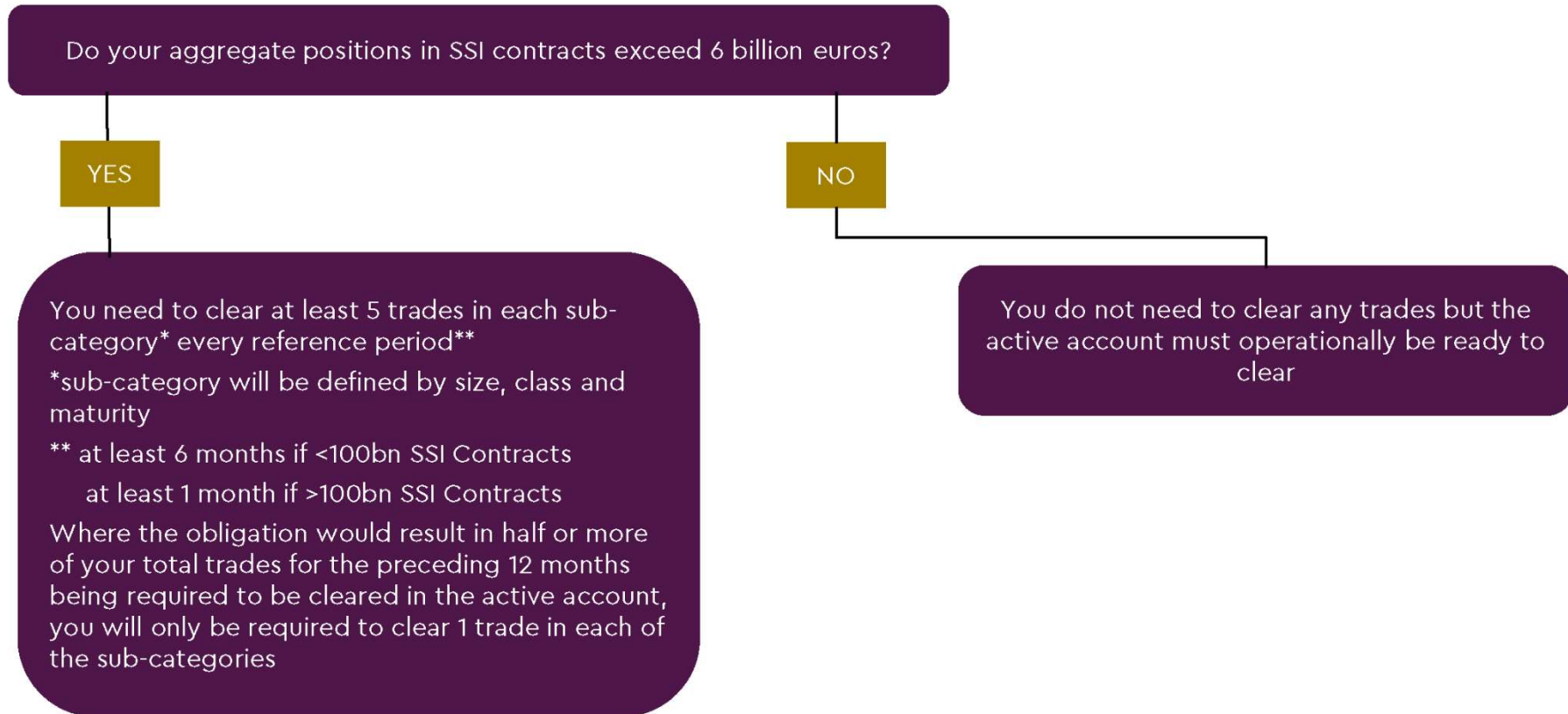
Who will it apply to?



# Do I need an active account?

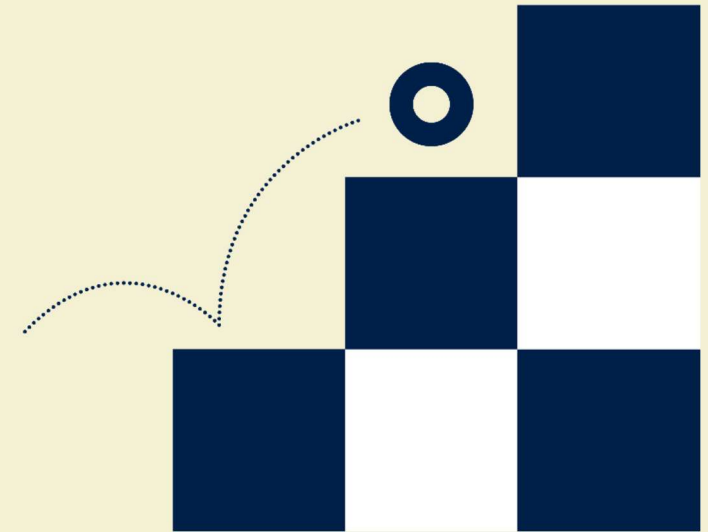


# Do I need to clear a representative number of trades through an active account?



# Next steps?

- Detailed requirements of EMIR 3.0 will not become clear until ESMA publishes the various regulatory technical standards
- For now, counterparties should review their existing compliance policies and arrangements and consider where EMIR 3.0 might require these to be changed



# Please let us know if you have any questions



**JONATHAN GILMOUR**

Head of Derivatives & Structured Products

[jonathan.gilmour@traverssmith.com](mailto:jonathan.gilmour@traverssmith.com)

+44 (0)20 7295 3425

---



**JOSEPH WREN**

Partner, Derivatives & Structured Products

[joseph.wren@traverssmith.com](mailto:joseph.wren@traverssmith.com)

+44 (0)20 7295 3401

---



**SANA DOSSA**

Senior Associate, Derivatives & Structured Products

[sana.dossa@traverssmith.com](mailto:sana.dossa@traverssmith.com)

+44 (0)20 7295 3590

---



**ELINOR SAMUEL**

Associate, Derivatives & Structured Products

[elinor.samuel@traverssmith.com](mailto:elinor.samuel@traverssmith.com)

+44 (0)20 7295 3315

---

To read our [article](#) on EMIR 3.0 please scan the QR code below.

