

Deloitte regulatory news alert

EMIR



CSSF Circular 13/557

Implementation of:

- **Regulation 648/2012/EU of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (hereafter “EMIR”) which has entered into force on 16 August 2012; and**
- **EMIR technical standards which have been adopted by the European Commission on 19 December 2012**

The CSSF Circular 13/557 published on 23/01/2013 (hereafter “the circular”) introduces **EMIR** that addresses the risk of OTC trading by imposing new requirements:

- Clearing of standardised derivative contracts through central counterparties;
- Permanent, available and separate initial and variation margins in the form of highly liquid collateral;
- Reporting of all OTC derivative contracts to trade repositories.

The circular introduces as well **related technical standards** covering the important areas such as eligible collateral for margin payments, and data set to be reported to trade repositories for OTC and exchange-traded derivatives.

The circular also highlight the procedures related to the intra-groups notification and exemptions to be submitted to the competent authority in Luxembourg (the CSSF for financial counterparties established in Luxembourg and under its supervision).

Finally, the circular provides a list of a key action points and questions the financial (investment firms, credit institutions, insurance, UCITS and related Management Companies, AIF, ...) and non-financial counterparties can start to address as from now :

- Which trade repository can you report to for the types of derivatives you trade?
- Will you report directly to the trade repository or delegate reporting to your counterparty or a third party?

- Which CCPs accept to clear the types of OTC derivatives you trade? Will you access clearing directly as a clearing member? If not, you will need to be a client of a clearing member?
- Are your existing systems and processes adequate to implement the new operational risk mitigation requirements set out in EMIR?
- Do you have collateral agreements in place and sufficient collateral available to collateralise non-cleared OTC derivative trades?

Please see our website for further information on the [European Market and Financial Infrastructure Regulation \(EMIR\)](#) and on the [EMEA Centre for Regulatory Strategy](#).

We trust this information is of assistance and remain at your disposal for any further questions.

Your contacts

Benjamin Collette

Advisory & Consulting Partner
bcollette@deloitte.lu

Lou Kiesch

Advisory & Consulting Partner
lkiesch@deloitte.lu

Laurent Collet

Advisory & Consulting Directeur
lacollet@deloitte.lu

Alan Picone

Advisory & Consulting Directeur
apicone@deloitte.lu

Christopher Stuart Sinclair

Advisory & Consulting Directeur
cstuartsinclair@deloitte.lu

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Deloitte General Services
Société à responsabilité limitée
560, rue de Neudorf
L-2220 Luxembourg

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