

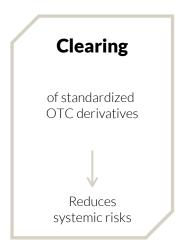
#### **EMIR vs. REMIT**

**FORRS** 

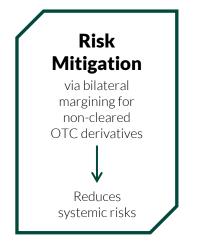
A Comparison



European Market Infrastructure Regulation







# **REMIT**

Regulation on wholesale Energy Market Integrity and Transparency



> Key Elements: Who is affected? What are the differences?

Key Elements

#### **Clearing**

of standardized OTC derivatives

Reduces systemic risks

#### Reporting

of derivative trades to ESMA via transaction registers

Brings market transparency

### **FORRS**

# Risk Mitigation

via bilateral margining for non-cleared OTC derivatives

Reduces systemic risks

#### Clearing

#### **FORRS**

#### **Clearing**

of standardized OTC derivatives

Reduces systemic risks

#### **Affected counterparties**

Two financial counterparties\*

A financial and a nonfinancial counterparty exceeding the threshold

Non-EU counterparties which are subject to the clearing obligation\*\*

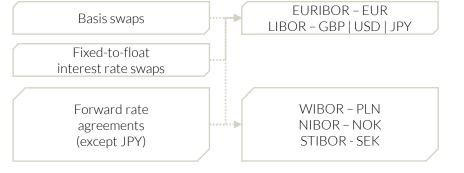
Two non-financial counterparties exceeding the threshold

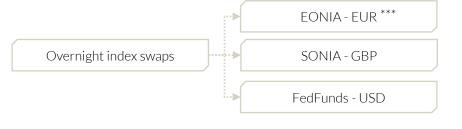
Threshold: Average of aggregated month-end positions in the last twelve months for all OTC derivative contracts split into these asset classes:

•	Credit	€ 1bn
•	Equity	€1bn
•	Interest rates	€3bn
•	FX	€3bn
	Commodities & Others	€3hn

# Affected derivatives\*\*\*

Referenced on - Settled in





Index credit default swaps

iTraxx Europe Main/Crossover - EUR

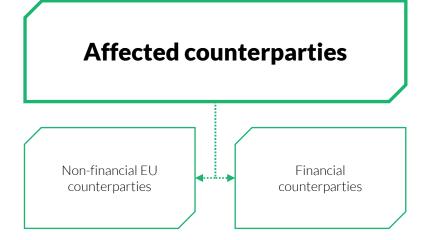
<sup>\*</sup> Emir Refit: A financial counterparty gets subject to a clearing obligation for all asset classes if a threshold in at least one asset class is exceeded

<sup>\*\*</sup> simplified

<sup>\*\*\*</sup> There are consultations whether OIS trades referencing on IBOR successors (risk free rates) with liquid maturities will be subject to the clearing obligation in future (such as SONIA OIS trades with maturities beyond three years)

#### **FORRS**

#### Reporting





#### **Affected derivatives** Derivative instruments for transfer of credit risk Derivative contracts relating to securities, currencies, derivative instruments, financial indices or measures Derivative instruments for transfer of credit risk Derivative contracts relating Derivative contracts to commodities, that relating to climatic variables, freight rates, Must be settled in cash emission allowance or Can be settled physically inflation rates, or other on a regulated economic statistics, assets, market/MTF rights, obligations, indices

Can be settled physically

not for commercial

purposes

and other measures

**FORRS** 

Risk Mitigation

Initial /
Variation Margin
requirements
apply



#### **Affected counterparties**

Financial counterparties

Non-financial counterparties exceeding clearing thresholds

Threshold: Average of aggregated month-end positions in the last twelve months for all OTC derivative contracts split into these asset classes:

€3bn

Credit € 1bn
 Equity € 1bn
 Interest rates € 3bn
 FX € 3bn

Commodities & Others

#### Affected derivatives: Non-cleared OTC derivatives apart from initial Margin for

1 year shift due to COVID-19

Principal amount of cross

currency swaps

Physically settled FX forwards

Physically settled FX swaps

# Risk Mitigation

via bilateral margining for non-cleared OTC derivatives

Reduces systemic risks

<sup>\*</sup> Respective Aggregate Average Notional Amount

# **REMIT**

Key Element





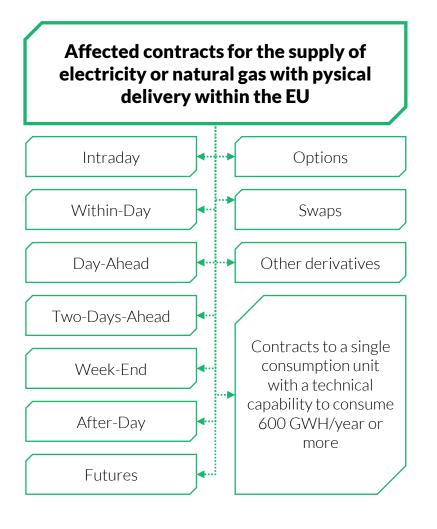
of contracts to ACER via transaction register

Brings market transparency

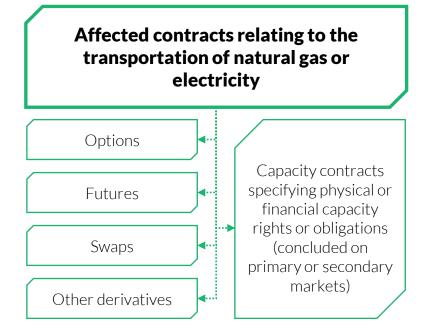
### **REMIT**

#### **FORRS**

#### Reporting









## **Our Digital Locations**







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#### **Our Locations**

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