



BANK OF ENGLAND

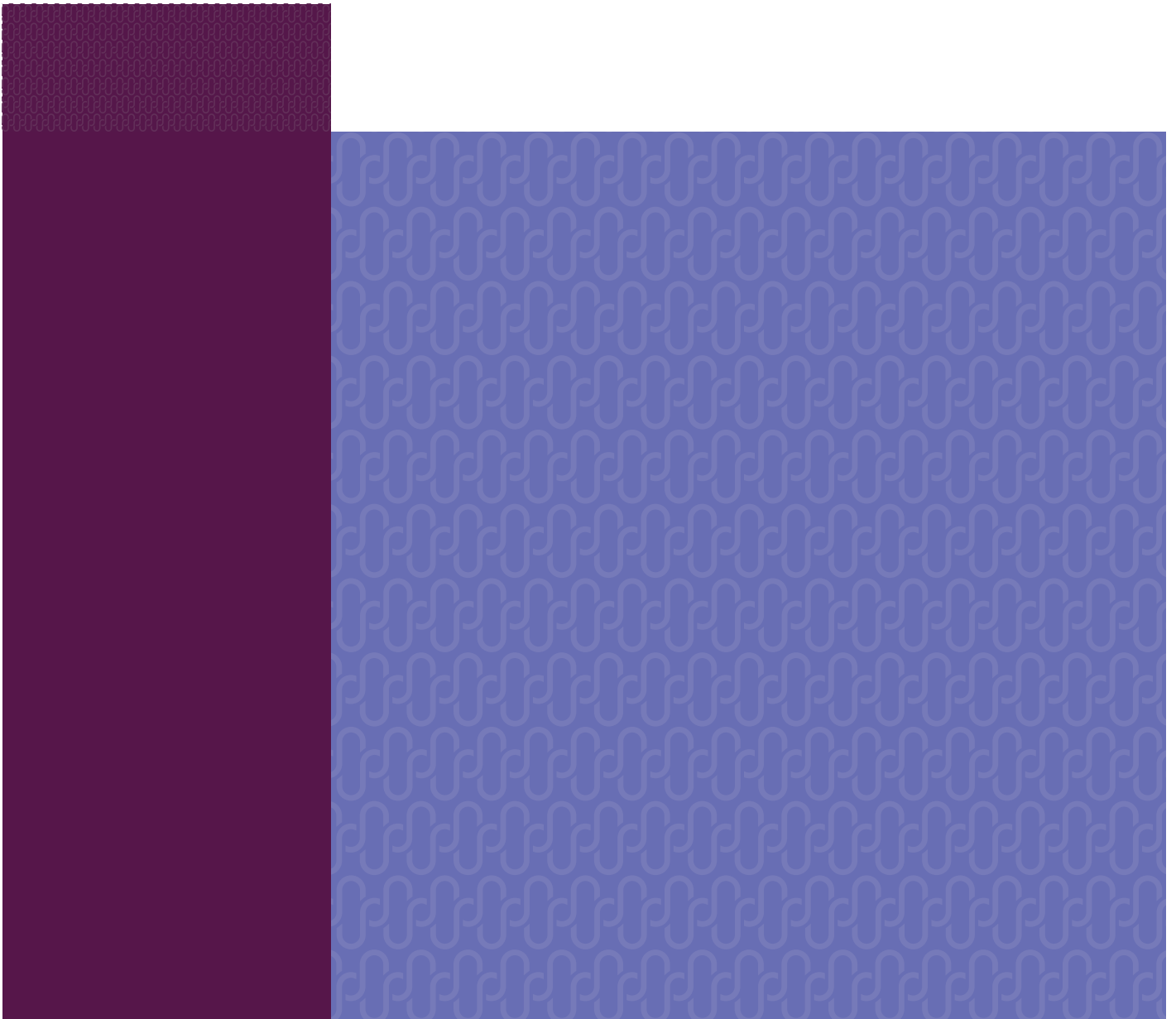
Financial Market  
Infrastructure



Consultation Paper

# The Bank of England's approach to comparable compliance under EMIR Article 25a

November 2021



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The response will be assessed to inform our work as a regulator and central bank, both in the public interest and in the exercise of our official authority. We may use your details to contact you to clarify any aspects of your response.

The consultation paper will explain if responses will be shared with other organisations (for example, the Financial Conduct Authority and HM Treasury). If this is the case, the other organisation will also review the responses and may also contact you to clarify aspects of your response. We will retain all responses for the period that is relevant to supporting ongoing regulatory policy developments and reviews. However, all personal data will be redacted from the responses within five years of receipt. To find out more about how we deal with your personal data, your rights or to get in touch please visit [bankofengland.co.uk/legal/privacy](https://bankofengland.co.uk/legal/privacy).

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Responses are requested by Friday 25 February 2022.

**In light of current measures to help prevent the spread of COVID-19, please address any comments or enquiries by email to: [FMIFeedback@bankofengland.co.uk](mailto:FMIFeedback@bankofengland.co.uk).**

Alternatively, please address any comments or enquiries to:  
Incoming FMI Framework Team

Financial Market Infrastructure Directorate  
Bank of England  
20 Moorgate  
London  
EC2R 6DA

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**Appendix: Draft Statement of Policy: The Bank of England’s approach to comparable compliance under EMIR Article 25a**

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## 1 Overview

1.1 This Consultation Paper ('CP') and draft Statement of Policy ('SoP') set out the Bank of England's (the 'Bank') proposed approach to granting comparable compliance to certain incoming central counterparties ('CCPs') recognised to provide clearing services to clearing members or trading venues established in the UK.

1.2 The CP is relevant to recognised incoming CCPs that have been designated as Tier 2 by the Bank in accordance with Article 25(2a) of EMIR<sup>1</sup>. The CP is also relevant to Tier 2 CCPs' relevant national authorities. It should be read alongside the [Bank's approach to tiering incoming central counterparties under EMIR Article 25](#).

1.3 Under EMIR Article 25a(1), a Tier 2 incoming CCP ('requesting CCP') may submit a reasoned request that the Bank assesses whether in its compliance with the applicable home regime and taking into account the provisions of the regulations made under Article 25 (6), a CCP may be deemed to satisfy compliance with the following EMIR requirements:

- Article 16 (Capital Requirements);
- Title IV (Requirements for CCPs, including organisational, conduct of business and prudential requirements); and
- Title V (Interoperability Arrangements).

1.4 The purpose of this CP is to set out the Bank's approach on how it would assess such a request.

1.5 The Bank proposes to grant comparable compliance to requesting CCPs for specific areas where the Bank considers equal or comparable supervisory outcomes are achieved through the home regimes. Where comparable compliance has been granted, the Bank proposes to defer to home authorities and not to engage in independent direct regulation or supervision of those specific areas, and consequently reduce the administrative and regulatory burden on requesting CCPs.

### The Bank's approach to comparable compliance

1.6 The Bank's approach to incoming CCPs is built upon the principle of reliance on other regulators' regimes - where justified - and a proportionate but diligent approach to ensuring overseas CCPs do not expose the UK and other jurisdictions that rely on the UK global financial centre to financial stability risk. This allows the market to maximise the benefits from access to cross-border clearing and minimise risks arising from regulatory overlap or conflict, while ensuring the risks are appropriately managed.

1.7 The Bank proposed approach to tiering is intended to enable the Bank to rely on regulation and supervision by home authorities wherever the Bank consider it appropriate, proportionate and safe to do so.

1.8 In particular, the Bank proposes to designate as Tier 1 those incoming CCPs that have been assessed as potentially systemically important and that met the expectations of the applicable

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<sup>1</sup> Unless otherwise stated, any references to EU or EU-derived legislation refer to the version of the legislation which forms part of retained EU law.

informed reliance test.<sup>2</sup> This means that the Bank will rely on the home authority's supervision in all areas as the Bank has sufficient assurance that the home authority's regime is delivering equivalent outcomes to Bank supervision which meet the Bank's financial stability objective.

1.9 In the same spirit, the Bank proposed approach to comparable compliance is intended, where appropriate, to reduce the administrative and regulatory burden for incoming CCPs that have been designated as Tier 2 CCPs and which would otherwise be subject to direct regulation and supervision by the Bank in accordance with EMIR.

1.10 Designation as a Tier 2 CCP means the Bank has determined it does not have sufficient confidence that equal or comparable supervisory outcomes are achieved across the whole framework under the Bank proposed approach to tiering. Yet, there may be areas where the Bank considers equal or comparable supervisory outcomes are still achieved through the home regime. In these instances, the Bank proposes to defer regulation and supervision of a Tier 2 CCP to home authorities for these specific areas by granting comparable compliance.

1.11 Where comparable compliance is granted, the Bank proposes not to engage in independent direct regulation or supervision of those specific areas, and consequently reduce the administrative and regulatory burden on requesting CCPs.

## Summary of Proposals

1.12 This CP covers the Bank's proposals for:

- (a) The Bank's principles for the assessment of comparable compliance under EMIR Article 25a;
- (b) The Bank's approach to granting comparable compliance for requesting CCPs (as well as how those decision may be reviewed and withdrawn);
- (c) The Bank's supervisory approach where comparable compliance has been granted; and
- (d) The type of information the Bank may consider in order to assess comparable compliance.

1.13 Pursuant to these proposals, the Bank would assess the appropriateness of granting comparable compliance by carrying out a qualitative assessment of a requesting CCP's reasoned request, taking all relevant information into account.

1.14 In its assessment, the Bank would take into account applicable requirements under the home regime, the supervisory approach under which requirements are applied by the home authorities that provide assurance on supervisory outcomes, and the level of supervisory co-operation and engagement between the home authorities and the Bank.

1.15 The outcome of this assessment would inform the Bank's judgement as to whether the relevant requirements under the home regime of the requesting CCP achieve equal or comparable supervisory outcomes. Any decisions to grant comparable compliance would only be in relation to the requirements that the Bank judges to achieve equal or comparable supervisory outcomes.

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<sup>2</sup> For further information, please see paras 4.28 and 4.30 in [The Bank of England's approach to tiering incoming central counterparties under EMIR Article 25](#).

## Implementation

1.16 The Bank proposes that the implementation date for the changes resulting from this CP would be Friday 1 July 2022.

## Responses and next steps

1.17 This consultation closes on Friday 25 February 2022. The Bank invites feedback on the proposals set out in this consultation. Please address any comments or enquiries to [FMIFeedback@bankofengland.co.uk](mailto:FMIFeedback@bankofengland.co.uk).

1.18 The Bank is concurrently consulting on its approach to tiering incoming CCPs (and in due course the Bank will also consult on its approach to setting fees for incoming CCPs).

1.19 The proposals set out in this CP have been designed in the context of the UK having left the European Union and the transition period having come to an end. Unless otherwise stated, any references to EU or EU-derived legislation refer to the version of that legislation which forms part of retained EU law.<sup>3</sup>

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<sup>3</sup> For further information please see [www.bankofengland.co.uk/eu-withdrawal/transitioning-to-post-exit-rules-and-standards](https://www.bankofengland.co.uk/eu-withdrawal/transitioning-to-post-exit-rules-and-standards).

## 2 Proposals

2.1 This section sets out the Bank's proposed approach to assessing reasoned requests from requesting CCPs to grant comparable compliance.

2.2 The Bank proposes the following three principles for the assessment of such requests:

**Principle 1: The Bank would expect to grant comparable compliance for the specific areas where the Bank considers equal or comparable supervisory outcomes are achieved through the home regime.**

2.3 The Bank would assess comparable compliance, if requested, for incoming CCPs that have been designated as Tier 2 at the level of the individual CCP. Designation as a Tier 2 CCP means the expectations of applicable informed reliance assessment have not been met and the Bank has determined it does not have sufficient confidence that equivalent supervisory outcomes are achieved across the whole framework for the purpose of the Bank's proposed tiering assessment.

2.4 There may nonetheless be areas where the Bank considers equal or comparable supervisory outcomes are still achieved through the home regimes. In these instances, the Bank proposes to defer to home authorities by granting comparable compliance for those specific areas.

2.5 For example, in the case of EMIR Article 49 'Review of models, stress testing and back testing' the Bank may consider that the home authority's approach to assessing whether a change is significant and to the validation review itself to be comparable with the Bank's own approach and risk appetite. In this case the Bank would expect to grant comparable compliance in this area as the Bank considers equal or comparable supervisory outcomes are achieved through the home regime.

**Principle 2: The Bank would assess the requirements applied to requesting CCPs and how these requirements are applied under the supervisory approach of its home regime to determine whether equal or comparable supervisory outcomes are achieved.**

2.6 In order to determine whether equal or comparable supervisory outcomes are achieved, the Bank would assess how the home authority applies and supervises against the home requirements, as well as assessing the requirements themselves.

2.7 The Bank would also assess whether there is sufficient supervisory co-operation and engagement in order to have enough visibility over the home authority's supervisory approach and assurance that equal or comparable supervisory outcomes are being achieved on an ongoing basis.

**Principle 3: The Bank would assess how the home regime requirements in aggregate may deliver equal or comparable outcomes to those in Article 16, Title IV and Title V of EMIR.**

2.8 In order to determine whether compliance with an applicable home regime may be deemed to satisfy requirements set out in Article 16, Title IV and Title V of EMIR on an outcomes basis, the Bank would not assess any relevant elements in isolation, but in totality focusing on supervisory outcomes. This means the assessment would take into consideration all relevant elements, and determine whether, in the Bank's judgement, equal or comparable outcomes are achieved.

2.9 In some cases, outcomes can only be assessed by seeing how requirements interact with each other. For example, if a jurisdiction applied a shorter margin period of risk ('MPOR') with a more conservative calibration of other initial margin model parameters (e.g. higher confidence level), less

conservative MPOR would not necessarily result in an overall lower level of financial resilience. Therefore, the Bank does not propose to assess comparable compliance on a strict 'requirement-by-requirement' basis, which may not capture this type of nuance.

2.10 The Bank therefore proposes to consider a comparison of relevant EMIR requirements (including relevant technical standards and supervisory statements specifying these standards) against the relevant requirements and guidance applicable under the home authority's regime in aggregate.

### **Three-step process to assessing comparable compliance**

2.11 With the three principles in mind, the Bank proposes to follow a three-step process to assess whether a requesting CCP should be granted comparable compliance.

#### **Step 1: Information gathering**

2.12 In its reasoned request for comparable compliance, the requesting CCP must provide the factual basis for a finding of comparability and the reasons why compliance with the requirements in the applicable home country regime satisfies the requirements in Article 16 and Title IV and Title V of EMIR. The requesting CCP may submit a range of information and documents in its reasoned request to the Bank to substantiate how it meets the requirements under the UK regime. For example, this may include the relevant internal rules and policy of the requesting CCP (such as governance structure diagram, organisation charts, risk governance framework) as well as the requirements under the home regime of the requesting CCP.

2.13 The Bank may request additional information either from the requesting CCP and/or the home authorities of the requesting CCP. This may include legal opinions, opinions of the home authorities, letter of good standing, supervisory framework and supervisory approach of the home authorities, and how requirements are applied under the home regime.

2.14 With regard to Title IV (Requirements for CCPs) of EMIR, the Bank proposes to use the information already submitted to the Bank by the home authority of the jurisdiction of the requesting CCP as part of it providing equivalence advice to HM Treasury, to the extent possible and appropriate.

2.15 In addition, the Bank may also use information gathered as part of the informed reliance assessment conducted according to its proposed tiering approach. This would assist the Bank to form its view on the degree of comfort and assurance it can expect from the supervisory co-operation and engagement with the home authorities in achieving equal or comparable supervisory outcomes.

2.16 The comparable compliance assessment will consider similar factors as the informed reliance assessment, but will differ as the informed reliance assessment is a broader assessment of the regulatory and supervisory framework, and the extent of supervisory cooperation between authorities in aggregate. In contrast, the comparable compliance assessment is a narrower assessment of whether the home authority delivers equal or comparable outcomes in specific areas.

#### **Step 2: Qualitative Analysis**

2.17 The Bank proposes to conduct a qualitative analysis of the reasoned request and accompanying materials submitted by the requesting CCP to verify if equal or comparable supervisory outcomes



are achieved in areas where the requesting CCP requested comparable compliance and hence may be deemed to satisfy compliance with the requirements under the UK regime.

2.18 The Bank may also consider other publicly available materials published by relevant international bodies to supplement its qualitative analysis, such as Committee on Payments and Market Infrastructures-International Organization of Securities Commissions Level 2 reports published by the Bank for International Settlements.

### **Step 3: Decision**

2.19 The Bank expects to make a decision on whether to grant comparable compliance based on the outcome of the previous steps. The Bank's decision on granting comparable compliance would be made on the basis of an assessment of all applicable requirement and relevant information in aggregate.

2.20 In the area(s) where comparable outcomes are identified, the Bank would determine that the application of requirements from the home regime provides an equal or comparable outcome as the requirements under the UK regime. Therefore, the Bank would, as long as this assessment remains valid, rely on compliance with the requirements of the home regime for compliance with the corresponding requirements under EMIR, and the requesting CCP would be deemed to be complying with the relevant requirements under EMIR.

2.21 Comparable compliance decisions may be subject to review (and withdrawal) by the Bank, as set out below.

### **Exemption and exceptions**

2.22 Where complying with a specific requirement set out in Article 16, Title IV or Title V of EMIR risks a breach of one or more provision of the applicable home regime, the Bank proposes to consider granting comparable compliance regarding that requirement only where the requesting CCP can evidence to the Bank's satisfaction that:

- a) it is impossible for the requesting CCP to comply with that requirement without breaching a mandatory provision of the applicable home regime;
- b) the applicable home regime effectively achieve the same objectives as Article 16, Title IV and Title V; and
- c) the requesting CCP complies with the applicable home regime.

2.23 The Bank proposes to consider granting comparable compliance regarding the requirements set out under Article 16, Title IV and Title V of EMIR where the requesting CCP has an exemption or applies an exemption under the applicable home regime that is comparable to any of exemptions set out under section 4 and 5 of Article 1 of EMIR. In this case, the requesting CCP should provide evidence that the UK and home exemption are comparable.

### **The Bank's supervisory approach where comparable compliance has been granted**

2.24 In areas where the Bank has granted comparable compliance, compliance with the home regulatory framework, regulatory approvals granted by the home authority and the supervision and enforcement regime of the home authority would satisfy compliance with the relevant UK requirements.

2.25 The Bank proposes to defer to home authorities and not to engage in independent supervisory activities and conduct independent validations under EMIR, independent general investigations or on-site visits in areas where comparable compliance has been granted.

2.26 This is without prejudice to the Bank's statutory duties including in its responsibility as supervisor of incoming CCPs to ensure their ongoing compliance with conditions for recognition<sup>4</sup>.

2.27 Where comparable compliance is granted, the Bank proposes to monitor and assess the appropriateness of comparable compliance on an ongoing basis. The Bank would look to establish effective cooperation with the home authority in order to do this, including sharing of relevant information in a timely manner. If the Bank is not able to receive sufficient information and cooperation from the home authority to give assurance that equal or comparable supervisory outcomes are achieved, the Bank will review the comparable compliance decisions for the relevant areas as set out below under the 'Review and withdrawal of comparable compliance decisions' section.

2.28 This approach is consistent with the Bank's commitment to deference in regulation and supervision of incoming CCPs in order to reduce the regulatory burden and to guard against conflicting regulatory requirements between home and host authorities.

### **Review and withdrawal of comparable compliance decisions**

2.29 The Bank proposes that a review of the decision on granting comparable compliance will be conducted in the event of a change at or in relation to the requesting CCP, supervisory and regulatory framework of home authorities, or cooperation and information sharing arrangements with the home authority. This includes changes in the requesting CCP's risk profile, supervisory outcomes achieved or achievable through comparable compliance, or in the status of its ongoing compliance with conditions for recognition.

2.30 The Bank expects that the requesting CCP and/or its home authorities to notify the Bank of changes set out in paragraph 2.29 in a timely manner. The Bank also proposes that where it has reason to believe that there has been, or is likely to be changes set out in paragraph 2.29, it may request updated information from the requesting CCP and/or its home authorities to inform its review of the decision.

2.31 If the Bank determines its comparable compliance decision is no longer appropriate and hence should be withdrawn, the Bank would endeavour to inform the requesting CCP and its home authorities before proposing or adopting decisions to withdraw comparable compliance.

2.32 In withdrawing comparable compliance, the Bank would endeavour to provide an adaptation period, where feasible, appropriate and proportionate to the reasons for the withdrawal of comparable compliance, to minimise potential market disruption and any adverse effects on the financial stability of the UK or other jurisdictions in which the requesting CCP may be operating.

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<sup>4</sup> See Article 25b EMIR and the Bank's duties to supervise on an "ongoing basis" of the compliance of Tier 2 CCPs with the requirements set out in Article 16 and in Titles IV and V.



**BANK OF ENGLAND**

**Appendix: Draft Statement of Policy: The Bank of England's approach to  
Comparable Compliance under EMIR Article 25a**

Draft Statement of Policy

**The Bank of England's approach to  
comparable compliance under EMIR  
Article 25a**

November 2021

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## 1 Introduction

1.1 This Statement of Policy ('SoP') sets out the Bank of England's (the 'Bank') approach to granting comparable compliance to incoming central counterparties ('CCPs') recognised to provide clearing services to clearing members or trading venues established in the UK.

1.2 The SoP is relevant to recognised incoming CCPs that have been designated as Tier 2 by the Bank in accordance with Article 25(2a) of EMIR<sup>1</sup>. The SoP is also relevant to Tier 2 CCPs' relevant national authorities. It should be read alongside the [Bank's approach to tiering incoming central counterparties under EMIR Article 25](#).

1.3 Under EMIR Article 25a(1), a Tier 2 incoming CCP ('requesting CCP') may submit a reasoned request that the Bank assesses whether in its compliance with the applicable home regime and taking into account the provisions of the regulations made under Article 25 (6), a CCP may be deemed to satisfy compliance with the following EMIR requirements:

- Article 16 (Capital Requirements);
- Title IV (Requirements for CCPs, including organisational, conduct of business and prudential requirements); and
- Title V (Interoperability Arrangements).

1.4 The purpose of this SoP is to set out the Bank's approach on how it will assess such a request.

1.5 The Bank will grant comparable compliance to requesting CCPs for specific areas where the Bank considers equal or comparable supervisory outcomes are achieved through the home regimes. Where comparable compliance has been granted, the Bank will defer to home authorities for these specific areas and would not expect to engage in independent direct regulation or supervision of those specific areas.

### Implementation

1.6 The implementation date for the changes resulting from this SoP will be Friday 1 July 2022.

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<sup>1</sup> Unless otherwise stated, any references to EU or EU-derived legislation refer to the version of the legislation which forms part of retained EU law.

## 2 The Bank's approach to Comparable Compliance

2.1 This section sets out the Bank's approach to assessing reasoned requests from requesting CCPs to grant comparable compliance.

2.2 The Bank will follow the three principles for the assessment of such requests:

**Principle 1: The Bank expects to grant comparable compliance for the specific areas where the Bank considers equal or comparable supervisory outcomes are achieved through the home regime.**

2.3 The Bank will assess comparable compliance, if requested, for incoming CCPs that have been designated as Tier 2 at the level of the individual CCP. For areas where the Bank considers equal or comparable supervisory outcomes are achieved through the home regimes, the Bank will defer to home authorities by granting comparable compliance for those specific areas.

**Principle 2: The Bank will assess the requirements applied to requesting CCPs and how these requirements are applied under the supervisory approach of its home regime to determine whether equal or comparable supervisory outcomes are achieved.**

2.4 In order to determine whether equal or comparable supervisory outcomes are achieved, the Bank will assess how the home authority applies and supervises against the home requirements, as well as assessing the requirements themselves.

2.5 The Bank will also assess whether there is sufficient supervisory co-operation and engagement in order to have enough visibility over the home authority's supervisory approach and assurance that equal or comparable supervisory outcomes are being achieved on an ongoing basis.

**Principle 3: The Bank will assess how the home regime requirements in aggregate may deliver equal or comparable outcomes to those in Article 16, Title IV and Title V of EMIR.**

2.6 In order to determine whether compliance with an applicable home regime may be deemed to satisfy requirements set out in Article 16, Title IV and Title V of EMIR on an outcomes basis, the Bank will not assess any relevant elements in isolation, but in totality focusing on supervisory outcomes. This means the assessment will take into consideration all relevant elements, and determine whether, in the Bank's judgement, equal or comparable outcomes are achieved.

2.7 The Bank will consider a comparison of relevant EMIR requirements (including relevant technical standards and supervisory statements specifying these standards) against the relevant requirements and guidance applicable under the home authority's regime in aggregate.

### Three-step process to assessing comparable compliance

2.8 With the three principles in mind, the Bank will follow a three-step process to assess whether a requesting CCP should be granted comparable compliance.

#### Step 1: Information gathering

2.9 In its reasoned request for comparable compliance, the requesting CCP must provide the factual basis for a finding of comparability and the reasons why compliance with requirements in the applicable home country regime satisfied the requirements in Article 16 and Title IV and Title V of EMIR. The requesting CCP may submit a range of information and documents in its reasoned

request. For example, this may include the relevant internal rules and policy of the requesting CCP (such as governance structure diagram, organisation charts, risk governance framework) as well as the requirements under the home regime of the requesting CCP.

2.10 The Bank may request additional information either from the requesting CCP and/or the home authorities of the requesting CCP. This may include legal opinions, opinions of the home authorities, letter of good standing, supervisory framework and supervisory approach of the home authorities, and how requirements are applied under the home regime.

2.11 With regard to Title IV (Requirements for CCPs) of EMIR, the Bank will use the information already submitted to the Bank by the home authority of the jurisdiction of the requesting CCP as part of it providing equivalence advice to HM Treasury, to the extent possible and appropriate.

2.12 In addition, the Bank may also use information gathered as part of the informed reliance assessment conducted according to its tiering approach.

## **Step 2: Qualitative Analysis**

2.13 The Bank will conduct a qualitative analysis of the reasoned request and accompanying materials submitted by the requesting CCP to verify if equal or comparable supervisory outcomes are achieved in areas where the requesting CCP requested comparable compliance and hence may be deemed to satisfy compliance with the requirements under the UK regime.

2.14 The Bank may also consider other publicly available materials published by relevant international bodies to supplement its qualitative analysis, such as Committee on Payments and Market Infrastructures-International Organization of Securities Commissions Level 2 reports published by the Bank of International Settlements.

## **Step 3: Decision**

2.15 The Bank will make a decision on whether to grant comparable compliance based on the outcome of the previous steps. The Bank's decision will be made on the basis of an assessment of all applicable requirements and relevant information in aggregate.

2.16 In the area(s) where comparable outcomes are identified, the Bank will determine that the application of requirements from the home regime provides an equal or comparable outcome as the requirements under the UK regime. Therefore, the Bank will, as long as this assessment remains valid, rely on compliance with the requirements of the home regime for compliance with the corresponding requirements under EMIR, and the requesting CCP will be deemed to be complying with the relevant requirements under EMIR.

2.17 Comparable compliance decisions may be subject to review (and withdrawal) by the Bank, as set out below.

## **Exemption and exceptions**

2.18 Where complying with a specific requirement set out in Article 16, Title IV or Title V of EMIR risks a breach of one or more provision of the applicable home regime, the Bank will consider granting comparable compliance regarding that requirement only where the requesting CCP can evidence to the Bank's satisfaction that:

- a) it is impossible for the requesting CCP to comply with that requirement without breaching a mandatory provision of the applicable home regime;
- b) the applicable home regime effectively achieve the same objectives as Article 16, Title IV and Title V; and
- c) the requesting CCP complies with the applicable home regime.

2.19 The Bank will consider granting comparable compliance regarding the requirements set out under Article 16, Title IV and Title V of EMIR where the requesting CCP has an exemption or applies an exemption under the applicable home regime that is comparable to any of exemptions set out under section 4 and 5 of Article 1 of EMIR. In this case, the requesting CCP should provide evidence that the UK and home exemption are comparable.

### **The Bank's supervisory approach where comparable compliance has been granted**

2.20 In areas where the Bank has granted comparable compliance, compliance with the home regulatory framework, regulatory approvals granted by the home authority and the supervision and enforcement regime of the home authority would satisfy compliance with the relevant UK requirements.

2.21 The Bank will not engage in independent supervisory activities and conduct independent validations under EMIR, independent general investigations or on-site visits in areas where comparable compliance has been granted.

2.22 This is without prejudice to the Bank's statutory duties including in its responsibility as supervisor of incoming CCPs to ensure their ongoing compliance with conditions for recognition<sup>2</sup>.

2.23 Where comparable compliance is granted, the Bank will monitor and assess the appropriateness of comparable compliance on an ongoing basis. The Bank will look to establish effective cooperation with the home authority in order to do this, including sharing of relevant information in a timely manner. If the Bank is not able to receive sufficient information and cooperation from the home authority to give assurance that equal or comparable supervisory outcomes are achieved, the Bank will review the comparable compliance decisions for the relevant areas as set out below under the 'Review and withdrawal of comparable compliance decisions' section.

### **Review and withdrawal of comparable compliance decisions**

2.24 A review of the decision on granting comparable compliance will be conducted by the Bank in the event of a change at or in relation to the requesting CCP, supervisory and regulatory framework of home authorities, or cooperation and information sharing with home authority. This includes changes in the requesting CCP's risk profile, supervisory outcomes achieved or achievable through comparable compliance, or in the status of its ongoing compliance with conditions for recognition.

2.25 The Bank expects that the requesting CCP and/or its home authorities to notify the Bank of changes set out in paragraph 2.24 in a timely manner. Where the Bank has reason to believe that there has been, or is likely to be, changes set out in paragraph 2.24, it may request updated information from the requesting CCP and/or its home authorities to inform its review of the decision.

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<sup>2</sup> See Article 25b EMIR and the Bank's duties to supervise on an "ongoing basis" of the compliance of Tier 2 CCPs with the requirements set out in Article 16 and in Titles IV and V.



2.26 If the Bank determines its comparable compliance decision is no longer appropriate and hence should be withdrawn, the Bank will endeavour to inform the requesting CCP and its home authorities before proposing or adopting decisions to withdraw comparable compliance.

2.27 In withdrawing comparable compliance, the Bank will endeavour to provide an adaptation period, where feasible, appropriate and proportionate to the reasons for the withdrawal of comparable compliance, to minimise potential market disruption and any adverse effects on the financial stability of the UK or other jurisdictions in which the requesting CCP may be operating.