

SPEECHES & TESTIMONY

Joint European Commission and CFTC Statement on EMIR 2.2

March 13, 2019

Vice President of the European Commission (EC) Valdis Dombrovskis and U.S. Commodity Futures Trading Commission (CFTC) Chairman J. Christopher Giancarlo today issued the following statement on cross-border derivatives regulation on the occasion of a political agreement between European Union (EU) co-legislators on the EMIR 2.2 legislation.

The EU and the United States are committed to ensuring the implementation of the G20 reforms are effective to achieve the goals of increased financial stability, resilience and transparency in the global transatlantic OTC derivatives market.

Today's agreement in the EU regarding new legislation to enhance the supervision of CCPs, with a view to safeguarding the financial stability of the EU and its Member States is part of the EU's re-assessment of the effectiveness of its implementation of the G20 reforms. The legislation is in response to the need to monitor changes in the concentration of risk in these infrastructures as well as the departure of the United Kingdom from the EU. As required by the legislation, the EC will shortly adopt a number of delegated acts to define the scope and content of certain provisions, drawing on public consultations and relevant assessments. Before their adoption, these delegated acts will, under the EU's Better Regulation principles, be subject to a public consultation by the EC to which all stakeholders will be invited to respond, including the CFTC. The CFTC has indicated it will participate in the consultation process. The EC will take due consideration of all stakeholder comments received, including any comments submitted by the CFTC, before adopting its legal acts to respond to any legitimate concerns raised by firms and regulators from within the EU and its major derivatives clearing stakeholders in Third Countries. Once these acts are all in force, European Securities Market Authority (ESMA) will apply these new acts.

We expect the implementation of EMIR 2.2 and the CFTC's ongoing review of both its swaps regulatory framework and its cross-border approach will result in more deference between the CFTC and the EU supervisors than is currently the case.