

**TECHNICAL STANDARDS (MARKETS IN FINANCIAL INSTRUMENTS
REGULATION) (DERIVATIVES TRADING OBLIGATION) INSTRUMENT 2021**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) article 32(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and
 - (2) the following sections of the Financial Services and Markets Act 2000 (“the Act”) as amended by the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018:
 - (a) section 137T (General supplementary powers);
 - (b) section 138P (Technical standards);
 - (c) section 138Q (Standards instruments); and
 - (d) section 138S (Application of Chapters 1 and 2).
- B. The rule-making powers listed above are specified for the purposes of section 138Q(2) (Standards instruments) of the Act.

Pre-conditions to making

- C. The FCA has consulted the Prudential Regulation Authority and the Bank of England as appropriate in accordance with section 138P of the Act.
- D. A draft of this instrument has been approved by the Treasury in accordance with section 138R of the Act.

Modification

- E. Commission Delegated Regulation (EU) 2017/2417 of 17 November 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on the trading obligation for certain derivatives, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, is amended in accordance with the Annex to this instrument.

Commencement

- F. This instrument comes into force on 20 December 2021.

Citation

- G. This instrument may be cited as the Technical Standards (Markets in Financial Instruments Regulation) (Derivatives Trading Obligation) Instrument 2021.

By order of the Board
30 September 2021

In this Annex, underlining indicates new text and striking through indicates deleted text.

Annex

Commission Delegated Regulation (EU) 2017/2417 of 17 November 2017 supplementing Regulation (EU) 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on the trading obligation for certain derivatives

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ANNEX

Derivatives subject to the trading obligation

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Table 3 ~~Fixed-to-float interest rate swaps denominated in GBP~~

Fixed-to-Float single currency interest rate swaps—GBP LIBOR 3 and 6M		
Fixed leg		
Floating leg		
Settlement currency	GBP	GBP
Trade start type	Spot (T+0)	Spot (T+0)
Optionality	No	No
Tenor	2,3,4,5,6,7,10,15,20,30Y	2,3,4,5,6,7,10,15,20,30Y
Notional type	Constant Notional	Constant Notional
Payment frequency	Quarterly or semi-annual	Quarterly or semi-annual
Day count convention	Actual/365F	Actual/365F

Reference index	GBP LIBOR 6M	GBP LIBOR 3M
Reset frequency	Semi-annual or quarterly	Quarterly
Day count convention	Actual/365F	Actual/365F

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Table 5 Overnight indexed swaps denominated in GBP

<u>Overnight indexed swaps – GBP SONIA</u>		
<u>Floating leg</u>		
<u>Settlement currency</u>	<u>GBP</u>	<u>GBP</u>
<u>Trade start type</u>	<u>Spot (T+0)</u>	<u>IMM (next 2 IMM dates)</u>
<u>Optionality</u>	<u>No</u>	<u>No</u>
<u>Tenor</u>	<u>1,2,3,4,5,6,7,8,9,10,12,15,20,25,30Y</u>	<u>1,2,3,4,5,6,7,8,9,10,12,15,20,25,30Y</u>
<u>Notional type</u>	<u>Constant Notional</u>	<u>Constant Notional</u>
<u>Fixed leg</u>		
<u>Payment frequency</u>	<u>Annual or semi-annual</u>	<u>Annual or semi-annual</u>
<u>Day count convention</u>	<u>Actual/365F</u>	<u>Actual/365F</u>
<u>Floating leg</u>		
<u>Reset frequency</u>	<u>Annual, semi-annual or quarterly</u>	<u>Annual, semi-annual or quarterly</u>

<u>Day count convention</u>	<u>Actual/365F</u>	<u>Actual/365F</u>
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