

TECHNICAL STANDARDS (MARKETS IN FINANCIAL INSTRUMENTS REGULATIONS) (DERIVATIVES TRADING OBLIGATION) INSTRUMENT 2023

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”):
 - (a) section 137T FSMA (General supplementary powers);
 - (b) section 138P (Technical Standards);
 - (c) section 138Q (Standard instruments); and
 - (d) section 138S (Application of Chapters 1 and 2).
- B. The 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 the instrument.

Commencement

- F. This instrument comes into force on 24 April 2023.

Citation

- G. This instrument may be cited as Technical Standards (Markets in Financial Instruments Regulations) (Derivatives Trading Obligation) Instrument 2023.

By order of the Board
30 March 2023

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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Article 1

Derivatives subject to the trading obligation

The derivatives set out in the Annex shall be subject to the trading obligation referred to in Article 28 of Regulation (EU) No 600/2014.

A derivative referred to in Table 1, ~~Table 2 and Table 3~~ and Table 5 of the Annex shall be deemed to have a tenor of 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 15, 20 or 30 years where the period of time between the date at which the obligations under that contract come into effect and the termination date of that contract equals one of those periods of time, plus or minus 5 days.

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ANNEX

Derivatives subject to the trading obligation

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Table 2 ~~Fixed-to-float interest rate swaps denominated in USD~~

Fixed-to-Float single currency interest rate swaps — USD LIBOR 3M		
Settlement currency	USD	USD
Trade start type	Spot (T+2)	IMM (next two IMM dates)
Optionality	No	No
Tenor	2,3,4,5,6,7,10,12,15,20,30Y	2,3,4,5,6,7,10,12,15,20,30Y
Notional type	Constant Notional	Constant Notional
Fixed leg		
Payment frequency	Annual or semi-annual	Annual or semi-annual

Day count convention	30/360 or Actual/360	30/360 or Actual/360
Floating leg		
Reference index	USD LIBOR 3M	USD LIBOR 3M
Reset frequency	Quarterly	Quarterly
Day count convention	Actual/360	Actual/360

Fixed-to-Float single currency interest rate swaps – USD LIBOR 6M		
Settlement currency	USD	USD
Trade start type	Spot (T+2)	IMM (next two IMM dates)
Optionality	No	No
Tenor	2,3,4,5, 6,7,10,12,15,20,30Y	2,3,4,5,6,7,10,12,15,20,30Y
Notional type	Constant Notional	Constant Notional
Fixed leg		
Payment frequency	Annual or semi-annual	Annual or semi-annual
Day count convention	30/360 or Actual/360	30/360 or Actual/360
Floating leg		
Reference index	USD LIBOR 6M	USD LIBOR 6M
Reset frequency	Quarterly or semi-annual	Quarterly or semi-annual
Day count convention	Actual/360	Actual/360

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