

Chapter

Article 12 (Article 11(14)(a) of Regulation (EU) No 648/2012) Timely confirmation

(1) An OTC derivative contract concluded between financial counterparties or non-financial counterparties referred to in Article 10 of Regulation (EU) No 648/2012 and which is not cleared by a CCP shall be confirmed, where available via electronic means, as soon as possible and at the latest:

(a) for credit default swaps and interest rate swaps that are concluded up to and including 28 February 2014, by the end of the second business day following the date of execution of the OTC derivative contract;

(b) for credit default swaps and interest rate swaps that are concluded after 28 February 2014, by the end of the business day following the date of execution of the OTC derivative contract;

(c) for equity swaps, foreign exchange swaps, commodity swaps and all other derivatives not provided for in point (a) that are concluded up to and including 31 August 2013, by the end of the third business day following the date of execution of the derivative contract;

(d) for equity swaps, foreign exchange swaps, commodity swaps and all other derivatives not provided for in point (a) that are concluded after 31 August 2013 up to and including 31 August 2014, by the end of the second business day following the date of execution of the derivative contract;

(e) for equity swaps, foreign exchange swaps, commodity swaps and all other derivatives not provided for in point (a) that are concluded after 31 August 2014, by the end of the business day following the date of execution of the derivative contract.

(2) An OTC derivative contract concluded with a non-financial counterparty not referred to in Article 10 of Regulation (EU) No 648/2012, shall be confirmed as soon as possible, where available via electronic means, and at the latest:

(a) for credit default swaps and interest rate swaps that are concluded up to and including 31 August 2013, by the end of the fifth business day following the date of execution of the OTC derivative contract;

(b) for credit default swaps and interest rate swaps that are concluded after 31 August 2013 up to and including 31 August 2014, by the end of the third business day following the date of execution of the OTC derivative contract;

(c) for credit default swaps and interest rate swaps that are concluded after 31 August 2014, by the end of the second business day following the date of execution of the OTC derivative contract;

(d) for equity swaps, foreign exchange swaps, commodity swaps and all other derivatives not provided for in point (a) that are concluded up to and including 31 August 2013, by the end of the seventh business day following the date of execution of the derivative contract;

(e) for equity swaps, foreign exchange swaps, commodity swaps and all other derivatives not provided for in point (a) that are concluded after 31 August 2013 up to and including 31 August 2014, by the end of the fourth business day following the date of execution of the derivative contract;

(f) for equity swaps, foreign exchange swaps, commodity swaps and all other derivatives not provided for in point (a) that are concluded after 31 August 2014, by the end of the second business day following the date of execution.

(3) Where a transaction referred to in paragraph 1 or 2 is concluded after 16.00 local time, or with a counterparty located in a different time zone which does not allow confirmation by the set deadline, the confirmation shall take place as soon as possible and, at the latest, one business day following the deadline set in paragraph 1 or 2 as relevant.

(4) Financial counterparties shall have the necessary procedure to report on a monthly basis to the FCA the number of unconfirmed OTC derivative transactions referred to in paragraphs 1 and 2 that have been outstanding for more than five business days.