

Chapter

Article 16 (Article 11(14)(b) of Regulation
(EU) No 648/2012)Market conditions that
prevent marking-to-market

(1) Market conditions that prevent marking-to market of an OTC derivative contract shall be considered to occur in either of the following situations:

(a) when the market is inactive;

(b) where the range of reasonable fair values estimates is significant and the probabilities of the various estimates cannot reasonably be assessed.

(2) A market for an OTC derivative contract shall be considered inactive when quoted prices are not readily and regularly available and those prices available do not represent actual and regularly occurring market transactions on an arm's length basis.