

Chapter 1

Commission Delegated Regulation (EU) 2016/2251



Article 31a Treatment of physically settled
foreign exchange forwards and physically
settled foreign exchange swaps

FCA 2021/21 By way of derogation from Article 2(2), counterparties may provide in their risk management procedures that variation margins are not required to be posted or collected for physically settled foreign exchange forward contracts and physically settled foreign exchange swap contracts where:

- (i) one of the counterparties is not an institution as defined in point (3) of Article 4(1) of Regulation (EU) No 575/2013; or
- (ii) would not qualify as such an institution if it were established in the United Kingdom.