

## **Chapter 21**

# **Commission Delegated Regulation (EU) 2017/581**



## Article 13 Netting of economically equivalent contracts

(1) A CCP shall apply to economically equivalent contracts referred to in Article 12(1) of this Regulation the same netting procedures irrespective of where the contracts were traded, provided that any netting procedure it applies is valid and enforceable in accordance with the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 and applicable insolvency law.

(2) A CCP considering that the legal risk or the basis risk related to a netting procedure it applies to an economically equivalent contract is not sufficiently mitigated, shall subject the clearing of such a contract to the adoption of changes to that netting procedure excluding the netting of such contract. Such changes shall be considered as significant changes to the CCP's risk models and parameters referred to in Article 28 and 49 of Regulation (EU) No 648/2012.

(3) For the purpose of paragraph 2, "basis risk" shall mean the risk arising from less than perfectly correlated movements between two or more assets or contracts cleared by the CCP.