

## **Chapter 22**

# **Commission Delegated Regulation (EU) 2017/582**



## Article 2 Pre-trade check for cleared derivative transactions concluded on a trading venue

(1) Trading venues and clearing members shall subject orders for the conclusion of cleared derivative transactions on a trading venue to the requirements set out in paragraphs 2, 3 and 4, except where all the conditions set out in points (a), (b) and (c) of this paragraph are satisfied:

(a) the rules of the trading venue require that each member or participant of the trading venue, which is not a clearing member of a CCP through which the cleared derivative transaction is cleared, has a contractual arrangement with a clearing member of the CCP under which the clearing member automatically becomes counterparty to the cleared derivative transaction;

(b) the rules of the CCP provide that the cleared derivative transaction concluded on a trading venue is cleared automatically and immediately, with the clearing member referred to in point (a) becoming the counterparty to the CCP;

(c) the rules of the trading venue provide that the member or participant of the trading venue or its client becomes counterparty to the cleared derivative transaction, after the cleared derivative transaction is cleared, pursuant to direct or indirect clearing arrangements entered into with the clearing member.

(2) A trading venue shall provide tools to ensure pre-conclusion screening on an order-by-order basis by each clearing member of the limits set and maintained by that clearing member for its client pursuant to Commission Delegated Regulation (EU) 2017/589.

(3) A trading venue shall ensure before the conclusion of the order that the order of the client is within the limits applicable to this client in accordance with paragraph 2:

(a) within 60 seconds from the receipt of the order when the order is entered into electronically;

(b) within 10 minutes from the receipt of the order when the order is not entered into electronically.

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(4) When the order is not within the limits applicable to the client in accordance with paragraph 2, the trading venue shall inform the client and the clearing member that the order cannot be concluded in accordance with the following timelines:

(a) where the order is entered into electronically, on a real-time basis;

(b) where the order is not entered into electronically, within 5 minutes as from the moment when the order was checked against the applicable limits.