BANK OF ENGLAND FMI RULEBOOK: OVERSEAS CENTRAL COUNTERPARTIES INSTRUMENT 2027

Powers exercised

A. The Bank of England makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):

(1) section 137T (General supplementary powers) as applied by paragraph 10 (Rules) of Schedule 17A (Further provision in relation to exercise of Part 18 functions by Bank of England);
(2) section 293 (Notification requirements); and
(3) section 300F (Rules relating to central counterparties and central securities depositories) exercised in accordance with section 300G (Section 300F; rules in relation to overseas FMI entities).

B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act as applied by paragraph 10 (Rules) of Schedule 17A (Further provision in relation to exercise of Part 18 functions by Bank of England).

C. The Bank of England makes the rules in the Annex to this instrument.

Part	Annex
Overseas CCPs	A

Near final

Commencement

D. This instrument comes into force on [DATE].

Citation

E. This instrument may be cited as the Bank of England FMI Rulebook: Overseas Central Counterparties Instrument 2027.

By order of the Financial Market Infrastructure Committee
[DATE]

Annex A

Overseas CCPs Part

In this Annex, the text is all new and is not underlined.

OVERSEAS CCPs

Chapter content

1. **APPLICATION**
2. **NON-SYSTEMIC OVERSEAS CCP NOTIFICATIONS**
3. **CORRESPONDING RULES APPLYING TO SYSTEMIC OVERSEAS CCPS**
4. **SYSTEMIC OVERSEAS CCP NOTIFICATIONS**

1 APPLICATION

1.1 This Part applies to an *overseas CCP*.

2 NON-SYSTEMIC OVERSEAS CCP NOTIFICATIONS

2.1 In this Chapter, an expression in italics defined in the *FMI Rulebook* Glossary has the meaning given in that glossary.

2.2 A *non-systemic overseas CCP* must, without undue delay, notify the *Bank* of any material changes relevant to whether it meets the conditions for recognition in [paragraphs (b) and (c)] of [section 300EA(2)] of *FSMA*.

2.3 If any emergency arises which:

(1) makes it impracticable for the *non-systemic overseas CCP* to comply with 2.2;

(2) could not have been avoided by the *non-systemic overseas CCP* taking all reasonable steps; and

(3) is outside the control of the *non-systemic overseas CCP*, its associates and agents (and of its and their *employees*),

the *non-systemic overseas CCP* must notify the *Bank* as soon as practicable of the emergency and of the steps it is taking and proposes to take to deal with the consequences of the emergency.

3 CORRESPONDING RULES APPLYING TO SYSTEMIC OVERSEAS CCPS

3.1 The following Parts apply to a *systemic overseas CCP*:

(1) the Interpretation and General Provisions Part;

(2) the Capital Part;

(3) the Management and Governance Part;

(4) the Change in Control Part;

(5) the Record Keeping Part;

(6) the Business Continuity Part;

(7) the Operational Resilience Part;

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(8) the Conduct of Business Part;

(9) the Exposure Management Part;

(10) the Margin Requirements Part;

(11) the Default Procedures Part;

(12) the Default Fund Part;

(13) the Default Waterfall Part;

(14) the Liquidity Risk Controls Part;

(15) the Collateral Part;

(16) the Investment Policy Part;

(17) the Review and Testing of Models and Parameters Part;

(18) the Settlement Part;

(19) the Capital Calculations and Reporting Part; and

(20) the Interoperability Arrangements Part,

unless a *systemic overseas CCP* has received a *section 138BA permission* from the *Bank* waiving or modifying such application.

4 SYSTEMIC OVERSEAS CCP NOTIFICATIONS

4.1 A *systemic overseas CCP* must, without undue delay, notify the *Bank* of any material changes relevant to whether it meets the conditions for recognition in:

(1) [paragraphs (b) and (c)] of [section 300EA(2)] of *FSMA*; and

(2) [paragraph (b)] of [section 300EA(3)] of *FSMA*.

4.2 A *systemic overseas CCP* must at least every 12 months provide the *Bank* with written confirmation that it is not aware of any reason that the conditions for recognition in [paragraph (b)] of [section 300EA(3)] of *FSMA* would not continue to be met.

Near final