

## **PRA STANDARDS INSTRUMENT: THE TECHNICAL STANDARDS (BILATERAL MARGINING) INSTRUMENT 2023**

### **Powers exercised**

- A. The PRA makes this instrument in the exercise of powers under section 138P (Technical Standards) of the Act.
- B. For the purposes of section 138P of the Act, the power to make regulatory technical standards which the PRA relies on for the purposes of this instrument is conferred on the PRA by Article 11(15) of Regulation (EU) No 648/2012.
- C. Pursuant to section 138P(2) of the Act, the power to make technical standards includes the power to modify, amend or revoke any EU tertiary legislation made by an EU entity under the original EU power which forms part of retained EU law. Commission Delegated Regulation (EU) No 2016/2251 constitutes EU tertiary legislation (as defined in section 20 of the EUWA) for the purposes of section 138P(2)(b) of the Act.
- D. The powers referred to above are specified for the purpose of section 138Q(2) (Standards instruments) of the Act.

### **Interpretation**

- E. In this instrument, any reference to any provision of direct EU legislation is a reference to it as it forms part of retained EU law.

- F. In this instrument:-

“EUWA” means the European Union (Withdrawal) Act 2018.

“PRA” means the Prudential Regulation Authority;

“retained EU law” has the meaning given it in section 6 of the EUWA; and

“the Act” means the Financial Services and Markets Act 2000.

### **Modifications**

- G. The PRA makes the modifications in the Annex to Commission Delegated Regulation (EU) 2016/2251 insofar as it applies to counterparties that are PRA-authorized persons.

### **Commencement**

- H. This instrument comes into force on 18 December 2023.

### **Citation**

- I. This instrument may be cited as PRA Standards Instrument: The Technical Standards (Bilateral Margining) Instrument 2023.

**By order of the Prudential Regulation Committee**

13 December 2023

## Annex

### MODIFICATIONS TO COMMISSION DELEGATED REGULATION (EU) 2016/2251

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1. In this Annex, new text is underlined and deleted text is struck through.
  2. Commission Delegated Regulation (EU) 2016/2251 with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, as it forms part of retained EU law, is modified as follows:
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...

#### *Article 38*

##### **Dates of application for specific contracts**

By way of derogation from Articles 36(1) and 37, in respect of all non-centrally cleared OTC derivatives which are single-stock equity options or index options, the Articles referred to in Articles 36(1) and 37 shall not apply until 4 January ~~2024~~2026.

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