

**30 May 2022**

# Amendments to the Instructions of CC&G

|                      |                                       |
|----------------------|---------------------------------------|
| To the attention of: | <b>All Participants</b>               |
| Priority:            | <b>High</b>                           |
| Topic:               | <b>Amendments to the Instructions</b> |

Dear Client,

In the context of membership requirements applicable to entities not established in the European Union, the Rules of Cassa Compensazione & Garanzia S.p.A. (in this Notice also referred to as: "CC&G" or "Euronext Clearing") foresee certain additional requirements that non-EU entities have to comply with. These include the requirement foreseen within Article B.2.1.1, paragraph 3 (which includes the recognition procedure of the CCP in the jurisdiction where the Clearing Member is domiciled and the existence of arrangements between competent Authorities), and the requirement to provide a legal opinion as per Article B.2.1.2, paragraphs 12 and 13 of Euronext Clearing Rules.

In the context of Brexit, and following admission of Euronext Clearing to the temporary recognition regime applicable to CCPs incorporated outside the United Kingdom, and the adoption of a temporary Equivalence Decision by the European Commission in respect of the UK regime<sup>1</sup>, in December 2020 Euronext Clearing Instructions to the Rules were amended, by waiving on a temporary basis the requirements mentioned in the preceding paragraph in respect to entities

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<sup>1</sup> Decision No. (EU) 2020/1308 adopted pursuant Article 25 (6) of EU Regulation 648/2012 (EMIR), which established the equivalence of the legal and regulatory framework, as well as the supervisory arrangements concerning clearing applicable in the United Kingdom.

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based in the United Kingdom, which were General of Individual Members of Euronext Clearing as at 31 December 2020 for a period of 18 months, starting from 1 January 2021.

This approach intended to ensure access and operational continuity for Members based in the United Kingdom, so as to avoid any disruption in the provision of services by Euronext Clearing. This exemption is now about to expire on 30 June 2022.

With this background, on 8 February 2022, with the adoption of Implementing Decision (EU) 2022/174, the European Commission confirmed the temporary UK equivalence decision, and also extended its duration for a further period of three years (*i.e.* until the 30 June 2025). Therefore, taking into account this regulatory development and in continuity with the approach so far adopted, it is appropriate to amend Euronext Clearing Instructions, in order to further extend the duration, as well as the scope of the exemption foreseen within Article B.1.1.4 of Euronext Clearing Instructions.

Firstly, the duration of the exemption foreseen within Article B.1.1.4, paragraph 5, is extended for a period of additional three years, in line with the approach adopted by the European Commission with Implementing Decision (EU) 2022/174. This exemption shall therefore remain effective up to the 30 June 2025.

Secondly, in terms of entities affected, it is provided that this exemption will apply both towards entities already admitted as Members of the System as well as new entities based in the United Kingdom. Therefore, also for entities based in the UK, wishing to apply for membership to the System, the requirements foreseen within article B.2.1.1, paragraph 3 and B.2.1.2, paragraphs 12 and 13 should be considered met. This approach is justified considering the objective of a further expansion of Euronext Clearing membership, in the context of the broader Euronext group internalization strategy.

Lastly, it is hereby clarified that the derogatory provision foreseen within Article B.1.1.4 of the Instructions, applies to all Members of the System, therefore including both Direct Participants, as well as Trading Clients domiciled in the UK.

The described amendments will become effective before 30 June 2022, so as to guarantee access continuity to UK entities. It should be pointed out that, in line with the Commission's Decision and in coordination with Euronext Clearing competent Authorities, Euronext Clearing reserves the right to take any action it considers necessary if there were to be assessed divergent legislative policy developments in the United Kingdom that may affect the situation described above.

The amendments to the Instructions will become effective on **6 June 2022**.

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The extract of the amendments to the texts of the Instructions is available here below and will be published on Euronext Clearing's website at the following [link](#).

For further information please contact:

**Euronext Clearing Membership**

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**Euronext Clearing Sales & Relationship Management**

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*Omissis*

#### **Article B.1.1.4 Maintenance of membership requirements and Members' obligations**

1. *Members* must forward updates of the membership information indicated in Annex B.114 to *CC&G* at the times and under the circumstances provided for therein, using the forms provided by *CC&G* available through the *CC&G* Internet site ([www.ccg.it](http://www.ccg.it)).
2. Any amendment of settlement accounts relating to positions in the *Equity Derivatives Section*, concerning *Trading Clients*, and of settlement accounts relating to positions in the *ICSD Bond Section* must be notified electronically to the *Clearing Member* using the forms available through the *CC&G* Internet site ([www.ccg.it](http://www.ccg.it)), at least 5 *CC&G open days* using the new accounts.
3. Any change in the appointments of Referents and Delegates with management powers exercisable in non-electronic form must be notified by the same methods as used in the application phase, and shall have effect, unless agreed otherwise, from the second *CC&G open day* after that in which the notice is received by *CC&G*, or on a subsequent date indicated by the *Member* in said notification.
4. *Members* are obliged to notify *CC&G*, of any failure to maintain membership requirements within the same day in which the said failure has occurred, or has been verified, in order for *CC&G* to promptly undertake the consequent measures provided for by the *Regulations*. The notification shall be made by registered letter with return receipt, advanced via email.
5. For entities based in the United Kingdom, which are ~~*General or Individual Members*~~ of **the System** ~~*CC&G as at 31 December 2020,*~~ **or that intend to apply for membership to the System**, the conditions and requirements laid down in Article B.2.1.1 **paragraph 3** and Article B.2.1.2, paragraphs 12 and 13 of the *Rules* shall have been ~~be considered~~ met **until the 30<sup>th</sup> of June 2025** for a period of 18 months starting from that date.