



ISDA, AIMA, EFAMA, FIA Statement on EC's Proposed Amendments to EMIR

BRUSSELS, February 2, 2023 – The International Swaps and Derivatives Association, Inc. (ISDA), the Alternative Investment Management Association (AIMA), the European Fund and Asset Management Association (EFAMA) and the Futures Industry Association (FIA) have published the following statement in response to the European Commission's (EC) proposed amendments to the European Market Infrastructure Regulation (EMIR) to make derivatives clearing in the EU more attractive, known as EMIR 3.0.

“The EC has taken some important steps towards strengthening the competitive position of Europe's growing derivatives markets in the EMIR 3.0 proposal. The amendments address the efficiency and resilience of financial market infrastructure in the EU. These include proposals to streamline supervisory practices for new EU central counterparty (CCP) product approvals, efforts to facilitate the availability of cross-border intragroup transaction exemptions, and amendments to the Undertakings for Collective Investment in Transferable Securities Directive and Money Market Funds Regulation to incentivize clearing of over-the-counter (OTC) derivatives.

“Such measures would further reinforce the positive trends already observed in the clearing of euro-denominated contracts at EU CCPs. A strategy based on organic growth and market-driven solutions would best support the competitiveness of EU CCPs in a global clearing marketplace.

“However, the EC has proposed that firms subject to the EU clearing obligation should have an active account at an EU CCP, while giving the European Securities and Markets Authority the power to define the portion of certain euro- and Polish zloty-denominated contracts that should be cleared through those accounts via secondary regulation. Changes to capital rules would reinforce this, making it less commercially viable for EU market participants to clear through CCPs based outside the EU.

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“We remain convinced that these measures, as proposed, would be harmful to EU capital markets. They would make EU firms less competitive and would have a negative impact on the derivatives market, EU clearing members and their clients, EU investors and savers, and the Capital Markets Union. For EU firms, this would not only hinder their ability to provide best execution to clients, but would also be costly to implement. We believe the EC should substantiate the risk of clearing through tier-two CCPs based outside the EU and provide a robust cost-benefit analysis of the proposed active account requirements.”

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 79 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association’s website: www.isda.org. Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

About AIMA

The Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry, with around 2,100 corporate members in over 60 countries. AIMA’s fund manager members collectively manage more than US\$2.5 trillion in hedge fund and private credit assets.

AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry.

AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 250 members that manage US\$800 billion of private credit assets globally.

AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors).

About EFAMA

[EFAMA](#) is the voice of the European investment management industry, which manages over EUR 30 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors. Besides fostering a Capital Markets Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book. EFAMA's ID number in the Transparency Register is: 3373670692-24.

About FIA

FIA is the leading global trade association for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C. FIA's membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from around the world as well as technology vendors, law firms and other professional service providers.

FIA's mission is to:

- support open, transparent and competitive markets,
- protect and enhance the integrity of the financial system, and
- promote high standards of professional conduct.

As the principal members of derivatives clearinghouses worldwide, FIA's clearing firm members play a critical role in the reduction of systemic risk in global financial markets. Learn more at www.fia.org, visit FIA, Inc. on LinkedIn or follow us on Twitter [@FIAConnect](https://twitter.com/FIAConnect).