



Paris, February 17th 2023

Termination of membership towards Indian central counterparties: a transition period planned for the French credit institutions

Taking into account the significant impact for some French credit institutions of the withdrawal decision by ESMA of the recognition of six Indian CCPs, the AMF, jointly with the ACPR and the Banque de France, invite those credit institutions currently clearing members to provide the AMF and the ACPR with a transitional plan ensuring that the termination of their membership is effective no later than 31 October 2024.

The European Securities and Markets Authority (ESMA) mandated by Article 89(3c) of Regulation (EU) N° 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR), as amended by Regulation (EU) 2019/2099 (EMIR 2.2), to tier and review the recognition decisions of all third country central counterparties (CCPs) recognised before 21 September 2020, concluded on 31 October 2022 that six CCPs established in India could not continue to be recognised in the European Union under the current applicable EMIR regime (cf link at the bottom of this page).

Consequently, according to article 25(1) of EMIR, these CCPs will no longer be able to provide services to clearing members established in the EU as of the date of application of the withdrawal decisions. To mitigate the adverse impacts on EU market participants, ESMA has deferred the application of the withdrawal decisions until 30 April 2023.

Several French credit institutions are currently clearing members of CCPs established in India, as such CCPs were recognised by ESMA to offer services and activities in the EU in 2017 and 2019. These credit institutions have shared their strong concerns regarding the length of the process needed in order to terminate their membership towards these CCPs and to orderly transfer their positions.

In this context, the AMF, the ACPR, and Banque de France invite the French credit institutions concerned by this situation to provide the AMF and the ACPR, as supervisory authorities, with the following elements:

- a full and detailed description of the reasons preventing them from terminating their membership towards the concerned CCPs and transferring their positions by 30 April 2023; and
- a transitional plan detailing the different steps they plan to implement in order to transfer their positions to a duly authorised clearing member, which shall ensure that the termination of their membership is effective not later than 31 October 2024. Such transitional plan shall also contain regular progress reports to the AMF and the ACPR.

PRESS RELEASE

These elements shall be transmitted to the AMF and the ACPR as soon as possible and on 31 March 2023 at the latest, at the following email addresses: emir@amf-france.org and emir@acpr.banque-france.fr.

Read more

- [ESMA to withdraw the recognition decisions of six Indian CCPs](#) (ESMA news dated 31/10/2022)

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