

2025 No.

FINANCIAL SERVICES AND MARKETS

**The Financial Services and Markets Act 2000 (Criteria for
Determining Systemic Importance of Overseas Central
Counterparties) Regulations 2025**

Made - - - -

Laid before Parliament

Coming into force

The Treasury make these Regulations in exercise of the power conferred by section 300EF(4)(a) of the Financial Services and Markets Act 2000(b).

The Treasury have consulted the Bank of England in accordance with section 300EF(8) of that Act.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Financial Services and Markets Act 2000 (Criteria for Determining Systemic Importance of Overseas Central Counterparties) Regulations 2025.

(2) These Regulations come into force [.....]

(3) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Criteria to be applied by Bank of England in determining systemic importance

2.—(1) The criteria of general application, in accordance with which any determination of the Bank of England under section 300EF(1) of the Financial Services and Markets Act 2000 (systemic importance of overseas central counterparty to the financial stability of the United Kingdom) is to be made, are as follows—

(a) the nature, size and complexity of the central counterparty's business in the United Kingdom, and of its business outside the United Kingdom to the extent that it may have a systemic impact on the United Kingdom, including—

(i) the aggregate value in sterling of transactions cleared by the central counterparty,

(ii) the aggregate exposure of the central counterparty, in respect of its engagement in services or activities linked to clearing, to its clearing members,

(a) Section 300EF was inserted by S.I. 2025/***.

(b) 2000 c. 8.

- (iii) whether any of its clearing members have been identified by the PRA as other systemically important institutions (O-SIIs) in accordance with regulation 29 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (duty of PRA to identify O-SIIs)(a),
- (iv) to the extent that the information is available, the aggregate exposure of the central counterparty, in respect of its engagement in services or activities linked to clearing, to its clearing members' clients established in the United Kingdom, and
- (v) the risk profile of the central counterparty, including legal, operational and business risk;
- (b) the effect that the failure of, or a disruption to, the central counterparty would have on—
 - (i) financial markets, including the liquidity of the markets served;
 - (ii) financial institutions;
 - (iii) the broader financial system;
 - (iv) the financial stability of the United Kingdom;
- (c) the clearing membership structure of the central counterparty including, to the extent that the information is available, the structure of its clearing members' network of clients and indirect clients established in the United Kingdom;
- (d) the extent to which alternative clearing services provided by other central counterparties exist for—
 - (i) the clearing members of the central counterparty, and
 - (ii) to the extent that the information is available, the clearing members' clients and indirect clients established in the United Kingdom;
- (e) the central counterparty's connections with other FMI entities (as defined in section 300F of the Act(b)), other financial institutions and the broader financial system, to the extent that those connections are likely to have an impact on the financial stability of the United Kingdom.

(2) In this regulation “client”, in relation to a clearing member of a central counterparty, means an undertaking with a direct or indirect contractual relationship with a clearing member which enables the undertaking to clear its transactions with the central counterparty.

[Date]

Name
Name
Two of the Lords Commissioners of His Majesty's Treasury

(a) S.I. 2014/894; regulation 29 was substituted by S.I. 2018/1401.

(b) Section 300F was inserted by section 9(1) of the Financial Services and Markets Act 2023 (c. 29).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations set out the criteria of general application in accordance with which the Bank of England is required to make any determination under section 300EF(1) of the Financial Services and Markets Act 2000 (c. 8) that an overseas central counterparty (as defined in section 285(1)(d) of that Act) is systemically important, or likely to become systemically important, to the financial stability of the United Kingdom.

DRAFT