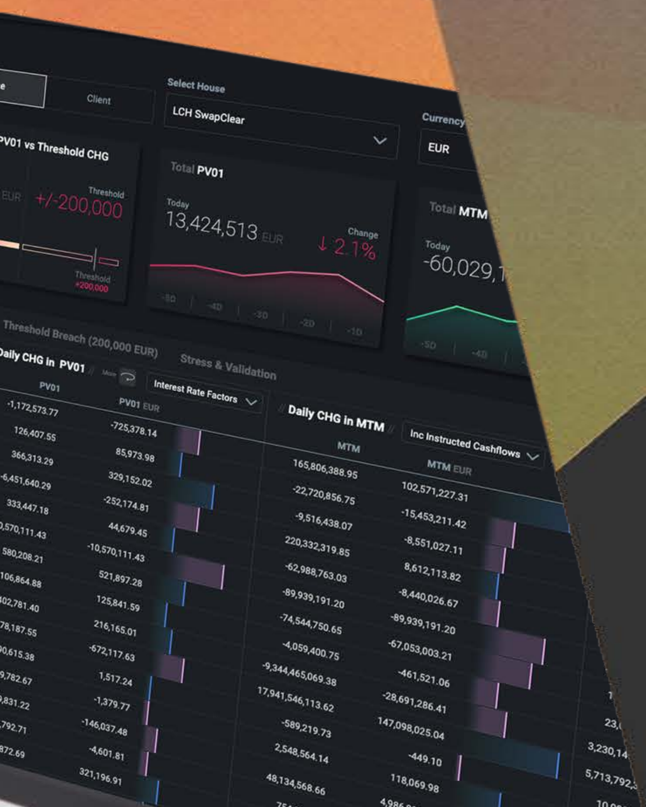
Article

EMIR 3.0 Meet your Active Account Requirement Clearing Obligations



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EMIR 3.0

Meet your Active Account Requirement Clearing Obligations

EMIR 3.0 was published in the EU Official Journal on 24th December, 2024 bringing into force the controversial Active Account Requirement that requires EU firms to clear a minimum number of in-scope transactions per year with an EU CCP. **This is expected to be effective on June 25th, 2025 with the first reporting date as 31 July 2025 – the clock is ticking.**

ESMA published[1] a Consultation Paper "Conditions of the Active Account Requirement" on 20 November 2024 proposing an operational framework. Whilst open for industry feedback by 27 January 2025, firms do not have much time to prepare ahead of the first reporting deadline in July 2025 covering the period January to June 2025.

In brief[2], larger firms will have to report – on a monthly basis – the number of in-scope transactions cleared at EU CCPs eg Eurex and at Third Country, TC-CCPs eg LCH, in each of a number of maturity ranges and notional size buckets set separately for each transaction type.

Initial transaction types are:

- EUR Interest Rate Derivatives; IRS, OIS and FRA
- PLN Interest Rate Derivatives; IRS, FRA
- EUR Short-Term Interest Rate Derivatives, STIR; Euribor, €STR

Firms are also required to demonstrate they have the appropriate legal documentation to support clearing services with an EU CCP including functioning cash and collateral accounts. Firms must also have internal policies and procedures to access EU CCPs and the necessary IT connections, which may be supported by an external provider.

Firms must demonstrate they have the systems and resources available to operate the account, and to withstand a 3-fold increase in EU clearing activity. ESMA will coordinate stress tests with EU CCP and their members.

Eurex recently hosted an AAR webinar going into more detail on these requirements; [Focus Day: The EMIR 3.0 active account requirement]

Are You Ready?

The Data Challenge

Each CCP uses its own proprietary technology, data definitions and report structures to communicate with its members leaving members with the challenge of extracting and collating the necessary transaction information.

This raw data from each CCP will need to be mapped it to a common data definition to compare across EU-CCP and TC-CCP and then processed into the required sub-categories; namely 5 product, 4 maturity and 3 notional categories.

The AAR data will need to be reconciled to existing EMIR Trade Repository data reporting.

Front Office Management

Daily reporting will almost certainly be needed by Markets and Treasury. Traders must ensure the minimum number of transactions are cleared at an EU CCP to meet the AAR requirements for each trade type, maturity range and notional bucket ahead of the month end reporting dates.

Our Solution

Our Rubicon platform enables you to monitor AAR status in real time. It connects directly to your EU-CCP and TC-CCP extracting transaction data directly and converting it into a consistent and comparable format to view and action by Front Office and Risk teams.

Simply permission Kynec to access your post-trade data at each CCP and we will do the rest; no in-House IT resources are required.

[1] ESMA91-1505572268-3856 Consultation Paper - Conditions of the Active Account Requirement
[2] Ashurst AAR Insight for full terms: EU EMIR: EU finalises EMIR 3

Find Out More

To find out how Rubicon can accelerate you AAR compliance, please contact us at

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