

Agreement Reached on EMIR Refit Regulation

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On February 5, the Council of the European Union and the European Parliament announced a preliminary agreement on a proposal for a Regulation to amend the European Market Infrastructure Regulation (EMIR Refit). The proposal aims to improve the existing regulatory framework applying to the over-the-counter (OTC) derivative market.

Key elements of the agreed EMIR Refit text highlighted by the Council include:

- The introduction of “small financial counterparties,” which will be exempted from the obligation to clear their OTC derivative transactions through a central counterparty; however, they will remain subject to risk mitigation obligations;
- The extension of the temporary exemption from the clearing obligation for pension scheme arrangements for another two years (further extendable twice, each time for an additional year);
- The streamlining of existing rules on reporting requirements for OTC derivatives to improve the quality of the data reported, including removal of the “backloading” requirement and requirements relating to intragroup transactions involving non-financial counterparties; and
- The inclusion of an obligation for clearing members to provide “fair, reasonable, non-discriminatory and transparent” commercial terms, designed to ensure transparency on fees, as well as improved contractual arrangements.

The agreed text will now be submitted to EU ambassadors for endorsement before the Council of the European Union and the European Parliament can adopt the final regulation.

The Council of the European Union's press release is available [here](#).

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