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**Changes to legislation:** There are currently no known outstanding effects for the Financial Services and Markets Act 2023, Paragraph 33. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 11

#### CENTRAL COUNTERPARTIES

#### PART 5

#### SPECIAL RESOLUTION ACTION

##### *Power to reduce variation margin payments*

- 33 (1) The sixth stabilisation option is to make one or more variation instruments.
- (2) A variation instrument is an instrument that makes provision to reduce or cancel a variation margin payment that a CCP would have otherwise paid to a clearing member of the CCP.
- (3) The power under this paragraph may be exercised only for the purpose of recovering losses arising as a result of a clearing member defaulting on the member's obligations to the CCP.
- (4) The power under sub-paragraph (1) does not apply to a clearing member—
- (a) which falls within Article 1(4) or (5) of EMIR, or
  - (b) in relation to which a direction under regulation 3(1)(f) of the Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019 (S.I. 2019/541) is in force.
- (5) In this paragraph, a “variation margin payment” means a payment reflecting an increase in the market value of a clearing member's position in the market.

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#### **Commencement Information**

- I1** Sch. 11 para. 33 not in force at Royal Assent, see **s. 86(3)**
- I2** Sch. 11 para. 33 in force at 31.12.2023 by S.I. 2023/1382, **reg. 8(b)**

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