

**2025 No. 898**

**FINANCIAL SERVICES**

**The OTC Derivatives Risk Mitigation and Central Counterparties  
(Equivalence) (Switzerland) Regulations 2025**

<i>Made</i> - - - -	<i>16th July 2025</i>
<i>Laid before Parliament</i>	<i>21st July 2025</i>
<i>Coming into force</i> - -	<i>1st January 2026</i>

The Treasury make these Regulations in exercise of Articles 13(2), 25(6) and 84a(2) of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories<sup>(a)</sup>.

**Citation, commencement, extent and interpretation**

1.—(1) These Regulations may be cited as the OTC Derivatives Risk Mitigation and Central Counterparties (Equivalence) (Switzerland) Regulations 2025.

(2) These Regulations come into force on 1st January 2026.

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

(4) In these Regulations—

“EMIR” means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;

“Swiss-authorised CCP” means a CCP<sup>(b)</sup> that is established in Switzerland and supervised by the Swiss Financial Market Supervisory Authority.

**Equivalence under Article 13(2) of EMIR**

2. For the purpose of Article 13(2) of EMIR, the Treasury determine that—

(a) where the conditions specified in regulation 3 are satisfied, the legal, supervisory and enforcement arrangements of Switzerland are equivalent to the requirements laid down under Article 11 of EMIR;

(b) the legal, supervisory and enforcement arrangements of Switzerland ensure protection of professional secrecy that is equivalent to that set out in EMIR;

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<sup>(a)</sup> EUR 648/2012 as amended by S.I. 2018/1184, 2019/335 and 2020/646; there are other amending instruments but none is relevant.

<sup>(b)</sup> For the meaning of “CCP” see Article 2(1) of EMIR.

- (c) the legal, supervisory and enforcement arrangements of Switzerland are being effectively applied and enforced in an equitable and non-distortive manner so as to ensure effective supervision and enforcement in Switzerland.

### **Requirements for equivalence under Article 13(2) of EMIR**

3.—(1) For the purpose of regulation 2, the legal, supervisory and enforcement arrangements of Switzerland shall only be considered as equivalent to the requirements of Article 11 of EMIR where all of the following conditions are satisfied—

- (a) the transaction concerns a relevant OTC derivative contract;
- (b) the counterparties to the relevant OTC derivative contract are subject to risk mitigation techniques applicable under Swiss law for OTC derivative contracts not cleared by a CCP;
- (c) the UK counterparty to the relevant OTC derivative contract complies with the initial margin model requirements;
- (d) where one of the counterparties to the relevant OTC derivative contract is an institution, or a Swiss counterparty that would qualify as an institution if it were established in the UK, and the relevant OTC derivative contract is a foreign exchange swap or a foreign exchange forward, the UK counterparty complies with the variation margin requirements.

(2) For the purpose of this regulation—

“foreign exchange forward” means a physically settled OTC derivative contract that solely involves the exchange of two different currencies on a specific future date at a fixed rate agreed on the trade date of the contract covering the exchange;

“foreign exchange swap” means a physically settled OTC derivative contract that solely involves an exchange of two different currencies on a specific date at a fixed rate that is agreed on the trade date of the contract covering the exchange, and a reverse exchange of the two currencies at a later date and at a fixed rate that is also agreed on the trade date of the contract covering the exchange;

“initial margin model requirements” means the requirements in Articles 14 to 18 of Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk mitigation techniques for OTC derivative contracts not cleared by a central counterparty(a);

“institution” has the meaning given in Article 4(3) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012(b);

“relevant OTC derivative contract” means a derivative contract(c)—

- (a) entered into by a UK counterparty and a Swiss counterparty,
- (b) which is not cleared by a CCP, and
- (c) the execution of which does not take place on a regulated market, a multilateral trading facility or an organised trading facility, which have the meanings given in Article 2(1)(13), (14) and (15) of Regulation (EU) No 600/2014 of the European

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(a) EUR 2016/2251 to which there are amendments not relevant to these Regulations.

(b) EUR 575/2013, Article 4(3) was amended by section 1(5) of the Financial Services Act 2021 (c. 22).

(c) For the meaning of “derivative contract” see Article 2(5) of EMIR.

Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012(a);

“Swiss counterparty” means a counterparty that is established in Switzerland;

“UK counterparty” means a financial counterparty or a non-financial counterparty(b), that is established in the UK;

“variation margin requirements” means the requirements in Articles 10 and 12 of Commission Delegated Regulation (EU) 2016/2251.

#### **Equivalence under Article 25(6) of EMIR**

4. For the purpose of Article 25(6) of EMIR, the Treasury specify that—
- (a) the legal and supervisory arrangements of Switzerland ensure that Swiss-authorized CCPs comply on an ongoing basis with legally binding requirements which are equivalent to the requirements laid down in Title IV of EMIR;
  - (b) Swiss-authorized CCPs are subject to effective supervision and enforcement in Switzerland on an ongoing basis;
  - (c) the legal framework of Switzerland provides for an effective equivalent system for the recognition of CCPs authorized under the legal regimes of other countries.

16th July 2025

*Taiwo Owatemi*  
*Jeff Smith*  
Two of the Lords Commissioners of His Majesty's Treasury

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(a) EUR 600/2014, the definitions in Article 2(1)(13), (14) and (15) were substituted by S.I. 2018/1403.  
(b) For the meanings of “financial counterparty” and “non-financial counterparty” see Article 2(8) and (9) of EMIR.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations set out the Treasury's equivalence determination in respect of the regulatory framework in Switzerland that applies to risk mitigation techniques for OTC derivative contracts not cleared by a CCP and the regulatory framework that applies to CCPs that are established in Switzerland.

These Regulations are made in exercise of the powers conferred by Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, amended by regulations made under section 8 of that Act (EMIR). Article 13(2) of EMIR provides that the Treasury may determine by regulations that the legal, supervisory and enforcement arrangements of a third country are equivalent to the requirements under Article 11 of EMIR. Article 25(1) of EMIR provides that a CCP established overseas may only provide clearing services to clearing members or trading venues established in the United Kingdom where that CCP is recognised by the Bank of England. The Bank of England is only able to recognise a CCP where the legal and supervisory arrangements of the overseas market in which they operate have been determined, by the Treasury in regulations, as equivalent to those of the United Kingdom.

Regulation 2 sets out the Treasury's determination that the regulatory framework of Switzerland, in relation to Article 11 of EMIR, is equivalent to that of the United Kingdom subject to the satisfaction of the conditions set out in regulation 3.

Regulation 3 sets out the requirements that must be satisfied in relation to an OTC derivative contract, in order for the determination in regulation 2(a) to apply.

Regulation 4 sets out the Treasury's determination that the regulatory framework in relation to Swiss authorised CCPs is equivalent to that of the United Kingdom's framework.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. A de minimis impact assessment is available from HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and is published with the Explanatory Memorandum alongside this instrument at [www.legislation.gov.uk](http://www.legislation.gov.uk).

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