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## EXPLANATORY NOTE

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

These Regulations extend the transitional provision in Article 89 of Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (“UK EMIR”) which exempts certain pension fund transactions from the clearing obligation provided for in Article 4 of UK EMIR. Regulation 2 provides that this exemption, in the first subparagraph of Article 89(1) of UK EMIR, is extended by two years, so that it ends on 18th June 2025.

These Regulations also extend the transitional exemption for certain intragroup transactions from certain clearing and risk-management obligations in the Over-the-Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335) (the “2019 Regulations”). Regulation 3 amends regulations 81 and 83 of the 2019 Regulations, extending these exemptions by three years.

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).