

Commission Delegated Regulation (EU) No 153/2013 of 19 December  
2012 supplementing Regulation (EU) No 648/2012 of the European  
Parliament and of the Council with regard to regulatory technical standards  
on requirements for central counterparties (Text with EEA relevance)

CHAPTER X

COLLATERAL

**(Article 46 of Regulation (EU) No 648/2012)**

*Article 41*

**Haircuts**

1 A CCP shall establish and implement policies and procedures to determine prudent haircuts to apply to collateral value.

2 Haircuts shall recognise that collateral may need to be liquidated in stressed market conditions and take into account the time required to liquidate it. The CCP shall demonstrate to the competent authority that haircuts are calculated in a conservative manner to limit as far as possible procyclical effects. For each collateral asset, the haircut shall be determined taking in consideration the relevant criteria, including:

- a the type of asset and level of credit risk associated with the financial instrument based upon internal assessment by the CCP. In performing such assessment the CCP shall employ a defined and objective methodology that shall not fully rely on external opinions and that takes into consideration the risk arising from the establishment of the issuer in a particular country;
- b the maturity of the asset;
- c the historical and hypothetical future price volatility of the asset in stressed market conditions;
- d the liquidity of the underlying market, including bid/ask spreads;
- e the foreign exchange risk, if any;
- f wrong-way risk.

3 A CCP shall monitor on a regular basis the adequacy of the haircuts. A CCP shall review the haircut policies and procedures at least annually and whenever a material change occurs that affects the CCP risk exposure, but should avoid as far as possible disruptive or big step changes in haircuts that could introduce procyclicality. The haircut policies and procedures shall be independently validated at least annually.

**Changes to legislation:**

There are currently no known outstanding effects for the Commission Delegated Regulation (EU) No 153/2013, Article 41.

EUR 2013 No. 153 may be subject to amendment by EU Exit Instruments made by the [Bank of England](#) under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 ([S.I. 2018/1115](#)), regs. 2, 3, Sch. Pt. 3. These amendments are not currently available on [legislation.gov.uk](#). Details of relevant amending instruments can be found on their website/s.