

# ESMA publishes final report on FRANDT commercial terms for clearing services

ESMA's technical advice details how to specify the conditions under which the commercial terms for the provision of clearing services are to be considered FRANDT. The final report containing ESMA's technical advice takes into account the feedback received, aiming to strike a balance between improving clearing client's access to clearing services and ensuring such services are provided on FRANDT compliant terms, while ensuring the requirements are proportionate and within the mandate received.

The requirements covered in this technical advice have been carefully designed to address clearing clients and clearing service providers' concerns and aims to:

- facilitate comparability of the information disclosed;
- address the process of onboarding clearing clients;
- standardise the information disclosed to clients bilaterally; and
- encourage further standardisation of contractual terms.

As part of a broader effort to facilitate access to clearing, the EMIR review (Refit), has introduced the requirement for clearing members and clients who provide clearing services to do so under FRANDT terms by June 2021. The EC is mandated to develop a delegated act to define the requirements for such FRANDT terms and tasked ESMA in June 2019 with producing technical advice on the FRANDT terms as input for the development of the delegated act.

The final report on the technical advice has been sent to the EC.