

Dear Clients,

The new European Market Infrastructure Regulation (EMIR) or Regulation (EU) № 648/2012 of the European Parliament and of the Council dated 4 July 2012 on OTC derivatives, central counterparties and trade repositories, has introduced certain obligations regarding derivatives contracts.

Effective as of 12 February 2014 EMIR establishes rules and obligations, pursuant to which the counterparties under such contracts are obliged to communicate (report) particular information about the executed transactions to a Trade Repository. This regulation covers all types of derivatives contracts /financial instruments/ as defined in items (4) through (10) in Section B of Annex I to MIFID and applied pursuant to Art.38 and Art.39 from Regulation (EC) № 1287/2006, namely:

- Forward contracts;
- Options;
- Swaps;
- Other.

(This list is tentative and does not cover all contracts for derivatives.)

Reporting obligation

EMIR requires that financial counterparties (FC) and non-financial counterparties (NFC+ and NFC-) shall report data on concluded derivatives contracts (including data on amendments or termination of such contracts) before a licensed trade repository. This obligation encompasses both derivatives transacted on regulated markets (exchange-traded derivatives or ETDs), as well as over-the-counter (OTC) derivatives.

Information to be reported

The information that shall have to be reported comes down to the contract parameters (general information) and the authentication and ascertainment of each party's legal capacity (counterparty information).

A total of 84 fields with data shall have to be reported regarding a single transaction, pursuant to the delegated regulations, which introduce the technical standards for fulfillment of the obligations under EMIR.

Reporting deadlines and reporting frequency

The information shall be reported not later than the end of the business day, following the date of a contract's conclusion, amendment or termination (T+1, where T is the date of the contract's conclusion/ amendment/ termination).

United Bulgarian Bank AD /UBB AD / offers to its counterparties under derivatives contracts the service of reporting the transactions to a Trade Repository, selected by the Bank in order to assist you in the fulfillment of obligations, pursuant to EMIR.

Should you have any questions or upon need of additional information, please do not hesitate to contact us.

The above text serves informative purposes only and does not stand a binding commitment for United Bulgarian Bank AD /UBB AD.