

Chapter 1

Commission Delegated Regulation (EU) 2016/2251

Article 1 Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) "initial margin" means the collateral collected by a counterparty to cover its current and potential future exposure in the interval between the last collection of margin and the liquidation of positions or hedging of market risk following a default of the other counterparty;
- (2) "variation margin" means the collateral collected by a counterparty to reflect the results of the daily marking-to-market or marking-to-model of outstanding contracts referred to in Article 11(2) of Regulation (EU) No 648/2012;
- (3) "netting set" means a set of non-centrally cleared over-the-counter ("OTC") derivative contracts between two counterparties that is subject to a legally enforceable bilateral netting agreement.
- (4) 'UK UCITS' means UK UCITS as defined in section 237(3) of the Financial Services and Markets Act 2000.