

CMA Bulletin

To: CMA MEMBERS
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Title: Performance Standards Charges Q3 and Q4 2021_22
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Market Participants will be aware that Performance Standards charging was suspended as one of the responses to the Covid 19 outbreak. Performance charges, excluding the R10 measure, were re-instated from 1st January 2021. The remaining R10 measures were re-instated on 1st October 2021.

The CMA issued a bulletin (BU145) in April last year, setting out the various derogations implemented in relation to performance measures, along with clarification on how the unwinding of those derogations would be undertaken.

As the R10 measures have now been re-instated, I would like to confirm that the same methodology for calculating performance charge caps will be used. This ensures that Market Participants are not unduly penalised for performance charges in the period where they were not active.

CMA Performance Charges are subject to a cap (0.15% of R1 settlement charges), such that participants will only pay the minimum of the cumulative gross CMA Performance Standard charges and the cumulative cap for that participant for the given FY. The quarterly payments are reconciled with this annual cumulative outcome. To allow for this, payments in a given quarter are calculated as the minimum of: The cumulative CMA Performance Standard Charges for all preceding quarters in the given FY and the cumulative cap for all preceding quarters in the given FY. Invoices are then issued for this amount, less any payments already made.

For FY 2021/22, R10 measures are only being raised for Q3 and Q4, therefore only the caps for those quarters will apply (any accumulation of charges and caps for preceding quarters will not be added on), although these will continue to be identified on the Performance Standard Reports on the LVI, as per the discretionary arrangements set out in MCCP248. For FY 2022/23, normal accumulation of cap amounts and charge amounts will resume.

Any queries relating to these arrangements should be submitted via the usual CMA Enquiries route.

Many thanks

Amanda Hancock
Stakeholder Manager