

Press release

Brussels,
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EACH publishes paper ‘Additional subjects on Recovery and Resolution of CCPs’

The European Association of CCP Clearing Houses (EACH) publishes today the paper ‘An effective Recovery and Resolution regime for CCPs: additional subjects to be considered’. This paper sets forth the EACH views on the following subjects which have been discussed recently within the industry and the regulatory community in the context of Recovery and Resolution of CCPs:

- CCP’s total loss-absorbing capacity
- Additional pre-funded resources
- Initial margin haircutting
- Early intervention
- Resolution authority

This paper should be read in conjunction with the EACH paper ‘**An effective recovery and resolution regime for CCPs**’¹, published in December 2014.

Tim Grange, Chair of the EACH Policy Committee said ‘Given the collateralisation of positions and the existing default management tools, the recovery and resolution of CCPs is an extremely remote possibility, but it is important that CCPs have the adequate tools in place to deal with it. This will benefit their clearing members, their clients and the markets as whole. Any tools proposed should be tailored to the nature of CCPs and cannot be read across from other Recovery and Resolution regimes, like the ones for banks.’

Marcus Zickwolff, EACH President, said ‘With this paper EACH continues to contribute to the debate around Recovery and Resolution of CCPs. It is crucial that legislators and regulators ensure a consistent application of the recovery and resolution framework at a global level, given CCPs may operate in many jurisdictions and clear products which are traded globally.’

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¹ <http://www.eachccp.eu/SiteAssets/141217%20-%20EACH%20paper%20-%20An%20effective%20Recovery%20and%20Resolution%20Regime%20for%20CCPs%20-%20Dec14.pdf>

Notes to the editors

About EACH

The European Association of CCP Clearing Houses (EACH) was founded in 1992 and is a Belgian not-for-profit organisation (AISBL), which represents central counterparty clearing houses – or CCPs- in Europe. The membership is open to CCPs based in the European Union and in other European countries. The membership of EACH comprises 20 CCPs incorporated in 16 European countries. The membership demonstrates variety in terms of the range of clearing undertaken and in corporate structures. Several members specialise in the clearing of various types of commodities, whilst others offer, to varying extents, broader ranges of clearing of derivatives and cash instruments.

EACH members

ATHEXClear	KDPW_CCP S.A.
BME Clearing	KELER CCP Ltd
CC&G (Cassa di Compensazione e Garanzia S.p.A.)	LCH.Clearnet Ltd
CCP Austria	LCH.Clearnet SA
CME Clearing Europe	LME Clear
ECC (European Commodity Clearing AG)	Nasdaq Clearing
Eurex Clearing AG	National Clearing Centre (NCC)
EuroCCP	OMIClear
ICE Clear Europe	Takasbank
IRGiT S.A. (Warsaw Commodity Clearing House)	SIX x-clear AG