

Additional EACH suggestions to make the EU Clearing industry more competitive

- **Further reducing regulatory barriers in sectoral legislation** – To further increase the possibilities for buy-side market participants to benefit from CCP clearing, regulatory barriers related to e.g. Solvency II [Regulation \(EU\) 2009/138](#) should be addressed.
- **Porting of clients** – Porting of clients is a crucial feature of CCP's default management. As outlined in our [response](#) to the CPMI-IOSCO discussion paper on client clearing access and portability, and in order to make the EU framework more efficient and further facilitate client clearing, a temporary exemption from AML, KYC and capital requirements during the porting phase as well as review of client consent mechanisms, converging towards the US LSOC-rules, will be required.
- **Avoid overly prescriptive APC provisions** - While global standard setters' (BCBS-CPMI-IOSCO) work is still ongoing, the current [EU review of CCPs' APC tools](#) however implies stricter requirements and further increases the granularity of governance and operational requirements for EU CCPs. This has the potential to restrict CCPs in their independent risk management ability and to further unlevel the playing field vis-à-vis other jurisdictions. We therefore request authorities to duly consider any further details around APC.
- **Broaden the investment possibilities of CCPs** – EACH proposes to reconsider the list of investment possibilities for the CCPs under EMIR to be extended MMFs and covered bonds that meet certain strict requirements and to extend the average time to maturity for highly liquid instruments.
- **Increase the legal protection of the CCPs' default management** – The current Settlement Finality Directive (SFD) should be updated to ensure that it grants all CCPs protection for their default management rules and is extended to cover indirect participants. This protection should be extended for both business as usual and the CCP default management activities. It should not be limited to cash and/or financial instruments withing the meaning of MiFID but rather extended to activities in relation to any assets.
- **Extension of TARGET2 opening hours** – An extension of the opening hours of the ECB's TARGET2 platform would avoid clearing members having to recourse USD and be critical to foster the international role of the euro, to support the achievement of the aims of the G20 Roadmap on enhancing cross-border payments and to improve the attractiveness of EU markets and market infrastructures.
- **Access to central banks without the need for a banking licence** – A more standardized CCP access to central bank facilities would help limiting the exposure to insolvency risk of commercial banks, contribute to a better management of investment risk and would ensure emergency liquidity in times of extreme market conditions.