

Brussels, June 18<sup>th</sup> 2024

**EACH High-level Response to the FSB consultation paper on Liquidity Preparedness for Margin and Collateral Calls**

The European Association of CCP Clearing Houses (EACH) represents the interests of Central Counterparties (CCPs) in Europe since 1992. CCPs are financial market infrastructures that significantly contribute to safer, more efficient and transparent global financial markets. EACH currently has 18 members from 14 different European countries. EACH is registered in the European Union Transparency Register with number 36897011311-96.

EACH appreciates the opportunity to respond to, and is supportive of the FSB's [work](#)<sup>1</sup> to enhance the liquidity preparedness of non-bank market participants for margin and collateral calls. We support the effort to ensure that all non-bank market participants taking part in clearing are as well-equipped as possible to manage liquidity demands during market stress.

In addition to the FSB [recommendations](#)<sup>2</sup>, subject to the final approval of the ongoing review of the EU clearing legislation expected for the second half of 2024, both non-financial clearing members and non-financial clients should be able to benefit from the possibility of posting non-cash collateral that meet the EMIR 3<sup>3</sup> standards such as uncollateralised bank guarantees, to alleviate potential liquidity pressure in time of crisis. This complements the existing CCP transparency measures to help contribute to non-bank market participants being suitably prepared to face potential liquidity swings, which in turn contributes to the continued robustness and transparency of financial markets.

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<sup>1</sup><https://www.fsb.org/2024/04/liquidity-preparedness-for-margin-and-collateral-calls-consultation-report/>

<sup>2</sup><https://www.fsb.org/2024/04/liquidity-preparedness-for-margin-and-collateral-calls-consultation-report/>

<sup>3</sup> <https://data.consilium.europa.eu/doc/document/ST-6344-2024-INIT/en/pdf>