

Press Release

8 Jan 2018

CCP12 reiterates its concern regarding the Basel capital rules for central clearing under the Leverage Ratio

Shanghai, Jan 8, 2018 – Due to the publication on December 7th, 2017 on “Finalising post crisis reforms” by the Basel Committee on Banking Supervision; CCP12 would like to highlight its continued concerns regarding the application of the Leverage Ratio on CCP cleared client business.

CCP12 especially emphasizes the importance of allowing banks to offset segregated margin on behalf of clients against their client trades for purposes of calculating leverage ratio exposures, and further acknowledge that clearing members who meet the appropriate accounting criteria for segregation should also be able to remove cash posted as margin from their own balance sheet calculations for the purpose of determining the leverage ratio.

Lee Betsill, Chairman of CCP12 and Chief Risk Officer of CME Clearing, said: “Derivatives are an essential tool for businesses and institutions everywhere to manage their risk. Equally important are deep, liquid markets, access to clearing and established rules and regulations for all participants. CCP12 members agree that applying overly punitive charges, such as the supplemental leverage ratio, to bank clearing members threatens to drive firms away from client clearing or out of the cleared space all together, concentrating exposures and increasing costs for end users. This trend is inconsistent with G20 mandates of promoting central clearing in order to improve transparency and better mitigate systemic risk in the financial markets, post the global financial crisis of 2008.”

CCP12 would like to offer its assistance and support to the Basel Committee on Banking Supervision to further foster all measures for achieving the G20 commitment.

To read our response to BCBS in 2016 concerning the revision of the Leverage Ratio Framework [click here](#).

About CCP12

The Global Association of Central Counterparties (“CCP12”) is a global association of 35 major central counterparty (CCP) organizations in EMEA, Asia-Pacific and the Americas. CCP12 was formed to share information, develop analyses and policy standards for common areas of concern. CCP12 members work toward the common purpose of creating conditions in which a global CCP solution can emerge to meet the needs of the marketplace. Information about CCP12 and its activities is available on the Association's website: www.ccp12.org