

PRESS RELEASE

CCP12 PUBLISHES

**CCPS AGAIN
DEMONSTRATE RESILIENCE
IN TIMES OF CRISIS**

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A CCP12 PAPER

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PRESS RELEASE

Today CCP12 - The Global Association of Central Counterparties – publishes “CCPs again demonstrate resilience in times of crisis – a CCP12 Paper”, which emphasizes the exceptional handling of crises by CCPs despite unprecedented volatility, record clearing volumes and long-term implementation of Business Continuity Plans.

Financial markets react to all kinds of events, which may include those that are politically, economically or environmentally driven. In times of crises, the impact is amplified and often felt across large parts of the global financial markets and the global economy. This was observed during the 2020 COVID-19 Crisis (“**CC**”). Due to the uncertainty in the markets, volatility spiked to extraordinary levels – stocks, interest rates and oil prices fell and credit spreads widened. During this unprecedented time of market volatility, financial market participants needed the ability to effectively manage their risks. The centrally cleared markets have proven, once again, to be a safe haven for market participants during this period of extreme stress.

In particular, Central Counterparties (“**CCPs**”) provided market participants with an efficient and effective forum to manage their risks, whilst providing transparency and operational reliability. This was despite the significant challenges driven by the operational responses to coronavirus, as well as the extraordinary levels of volatility. CCPs observed significant increases in payments due to the observed market moves, but were able to process these payments in a timely manner. Due to the extreme levels of volatility observed over the course of the CC most CCPs were required to issue additional margin calls. CCPs always aim for a balance between achieving appropriate margin coverage and mitigating procyclical risk. In striking this balance, CCPs must consider having appropriate risk-based margin coverage, whilst also avoiding unnecessary procyclical changes to margin requirements relative to the observed levels of market volatility. Ultimately, CCPs proved once again, as they have in past crises, that they provide safety and stability to the markets that they serve, particularly during periods of stress.

“The CCP12 paper “CCPs again demonstrate resilience in times of crisis” conveys how effectively CCPs have performed during the recent period of historical volatility across multiple asset classes; and while operating in a BCP mode.” said Mr. Kevin McClear, President of ICE Clear U.S. and Chairman of CCP12.

“CCPs proved again, that they are a critical and well-functioning component of financial markets, providing financial markets with resilience, safety and stability by offering market participants an effective and efficient place to manage their risks.” said Mr. Marcus Zickwolff, CEO of CCP12.

To read the full report, please click [here](#).

ABOUT CCP12

CCP12 is a global association of 37 members who operate more than 60 individual CCPs globally across Europe, the Middle East, and Africa (EMEA), the Americas, and the Asia-Pacific (APAC) regions.

CCP12's mission is to promote effective, practical and appropriate risk management and operational standards for CCPs to ensure the safety and efficiency of the financial markets it represents. CCP12 leads and assesses global regulatory and industry initiatives that concern CCPs to form consensus views, while also actively engaging with regulatory agencies and industry constituents through consultation responses, forum discussions and position papers.

For more information please contact the office by e-mail at office@ccp12global.com or through our website by visiting www.ccp12.org.

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