

FEBRUARY 2021

CCP12 SECOND 2020 NEWSLETTER



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CEO NOTE

Dear Reader,

Welcome to the Second 2020 Newsletter of the Global Association of Central Counterparties - CCP12.

In the second half of 2020, CCP12 hosted our Special General Meeting (Virtually), at which the new Primary Member IRGiT from Poland was accepted. You can find more about this on page 2. We also provided the view of CCPs around the world to the OECD in response to their consultation on the Reports on the Pillar One and Pillar Two Blueprints (Please see page 3). As always, we published an extended PQD Newsflash for Q2 2020, as well as an updated Public Quantitative Disclosure Template and Frequently Asked Questions Guide. Details about our PQD publications can be found on pages 5 and 6.

We just celebrated the Lunar New Year and welcome you in the year of the Ox. We wish you, your colleagues and your families a healthy, successful and happy New Year.

We look forward to an interesting and productive 2021. Stay tuned on www.ccp12.org. And if you happen to have any questions, or would like to receive more information about CCP12 and its work, or are interested in joining the Global Association of Central Counterparties, please don't hesitate to contact office@ccp12global.com.

Best regards,

Teo



TEO FLOOR
CCP12 CEO

Recent News

CCP12 – HELD ITS VIRTUAL 2020 SPECIAL GENERAL MEETING (SGM)

On the 18th of November 2020, The Global Association of Central Counterparties (CCP12) held its Virtual 2020 Special General Meeting (SGM).

In the second virtual Meeting of the General Assembly in 2020, CCP12 Members acknowledged the progress report and the updated work plan for the upcoming year. The four Working Committees of CCP12 presented its recent publications, including the CCP12 Primer on Credit Stress Testing, the enhanced CCP12 Public Quantitative Disclosure documents, and discussed upcoming releases and future projects. In the second half of the meeting, CCP12 welcomed policy experts from the official sector for a discussion on market developments.

Furthermore, CCP12 members accepted IZBA ROZLICZENIOWA GIEŁD TOWAROWYCH S.A. (IRGiT), a Polish Clearing House for Commodities, as a Primary Member of CCP12 effective 1st January 2021. CCP12 will have then 36 Primary Members and 2 Observer Members. Muqassa participated in the General Meeting as a Primary Member, having joined CCP12 in September 2020.

[To read the Press Release, please click here.](#)



CCP12 WELCOMES SECURITIES CLEARING CENTER COMPANY (MUQASSA) AS PRIMARY MEMBER

On 17th of September 2020, The Global Association of Central Counterparties (CCP12) announced that the Executive Committee of CCP12 accepted in its latest Executive Committee meeting the Securities Clearing Center Company (Muqassa) as a Primary Members of CCP12. The decision is directly linked to the operations commencement of Muqassa on the 30th of August 2020.

Muqassa was established in 2018 as a closed joint-stock company fully owned by the Saudi Stock Exchange (Tadawul). In January 2020, the Capital Market Authority issued a resolution to authorize Muqassa to conduct clearing services in the Capital Market as the first Qualified Center Counterparty (QCCP) in Saudi Arabia. In August 2020, Muqassa announced the commencement of its operations by clearing exchange-traded derivatives that will extend to other markets at later stages.

In case of any questions, please contact office@ccp12global.com

[To read the Press Release, please click here.](#)

CCP12 WELCOMES IZBA ROZLICZENIOWA GIEŁD TOWAROWYCH S.A. (IRGIT) AS A PRIMARY MEMBER OF CCP12

At the virtual CCP12 Special General Meeting on 18th of November 2020, the General Assembly accept Izba Rozliczeniowa Giełd Towarowych S.A. (IRGiT) as a Primary Member of CCP12 effective 1st of January 2021.

IRGiT was established on 27th Nov 2008, IRGiT is a polish company designed primarily to provide clearing and settlement services for commodity and financial markets operated by Towarowa Giełda Energii S.A. (TGE). Operational activities are carried out by IRGiT since 2010. IRGiT is fully owned by TGE and remains one of the companies of Warsaw Stock Exchange capital group.

IRGiT provides clearing and settlement services for trades concluded in spot power instruments, spot natural gas instruments, spot agricultural instruments, spot property rights for renewable sources instruments, and commodity forward contracts for power and natural gas, as well as clearing and settlement services for trades concluded in spot CO2 emission allowances instruments and forward contracts for renewable energy sources property rights.

In case of any questions, please contact office@ccp12global.com

[To read the Press Reaese, please click here.](#)





Publications

CCP12 responds to the OECD consultation on the Reports on the Pillar One and Pillar Two Blueprints

On 14th of December 2020, The Global Association of Central Counterparties (CCP12) published its response to the OECD consultation on the Reports on the Pillar One and Pillar Two Blueprints.

The report correctly excludes various industries, including Finance, and explicitly outlines the rationale for the exclusion of Banks, Insurance, and Asset Management. We consider, however, that the consultation would benefit from an explicit exclusion of Central Counterparties and the Exchanges they serve. We suggest an exemption for CCPs that are registered, regulated, authorised or supervised in a jurisdiction or do not need to be registered, regulated, authorised or supervised by virtue of falling outside the requirement to be so by the competent authorities.

As outlined in the Report on Pillar One Blueprint, there are certain sectors where the policy challenges of digitalisation do not present themselves, including finance. It is the clear view of CCP12 and its members that the regulated central clearing space of finance is such a sector and that the OECD/G20 work would benefit from an explicit exclusion. While we consider that much of the financial and commodity markets for which CCPs provide risk management services are already excluded by virtue of the Automated Digital Services and Consumer Facing Business tests, clarity for CCPs would be beneficial. This is also helpful for Banking, Insurance and Asset Management companies that are often the primary participants in the markets for which CCPs providing clearing services. In particular, the explicit exclusion of Banking, Insurance, and Asset Management services despite the broad use of information technology also applies to centrally cleared markets (122, 123, 124 of the Report on Pillar One Blueprint). To the degree that certain centrally cleared markets may be considered to have a CFB nature, these are nonetheless subject to the same strict regulation and supervision as outlined in the Report.

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

CCP12 RELEASES NEW PUBLIC QUANTITATIVE DISCLOSURE DOCUMENTS

On the 4th of November 2020, the Global Association of Central Counterparties (CCP12) updated the Public Quantitative Disclosure Template, and provides a Frequently Asked Questions Guide.

The key updates to the template this year include the following:

- Each disclosure field (column) in the XLSX has been formatted to the correct data type;
- Sheet 'Instructions' - Comprehensive guidance for populating and saving the PQDs with a common naming convention for both XLSX and CSV based PQDs;
- Sheet 'Revisions' - A method to track version changes within the PQD;
- Sheet 'CCP_ConsolidatedDataFile' - A single view of all disclosures within the sheet (or single CSV file) for easy navigation by market participants.



"THE NEW CCP12 PQD TEMPLATE AND THE CCP12 PQD FAQS GUIDE WILL FURTHER IMPROVE THE STANDARDIZATION AND DIGESTIBILITY OF PQD DISCLOSURES, AND WE EXPECT THIS WILL BE HELPFUL TO THE WIDER COMMUNITY. THIS IS PART OF CCP12'S ONGOING EFFORTS TO ENSURE A HARMONIZED APPROACH TO STRUCTURING THESE KEY DATA POINTS AND THEIR GREATER USE FOR UNDERSTANDING CENTRALISED RISK MANAGEMENT."
SAID MR TEO FLOOR, CEO OF CCP12.

The CCP12 PQD FAQ Guide provides details of the CCP12 PQD Template such as 'Disclosure Title', 'Reference', 'Description' and 'Reporting Frequency'. In addition to this, after discussions with CCP12 Members, market participants, and global regulators, a comprehensive explanation to all disclosures are included which have been defined in order to give supplementary guidance to CCPs.

In particular, Central Counterparties ("CCPs") provided market participants with an efficient and effective forum to manage their risks, whilst providing transparency and operational reliability.

[The updated Public Quantitative Disclosure Template can be found here](#)

[Questions Guide can be found here](#)

[To read the full press release, please click here](#)



"THE PQDWC HAS ACTIVELY ENDEAVOURED TO ENHANCE THE CCP12 PQD TEMPLATE, WHICH WAS FIRST RELEASED IN 2017. THE CCP12 PQD TEMPLATE HAS SUCCESSFULLY FACILITATED COMPARABLE DATA POINTS AND FORMATS OVER THE YEARS. WE HAVE WORKED TOGETHER TO ENHANCE THE TEMPLATE AND DEVELOP A HIGH-LEVEL PQD FAQ RESPONSE GUIDE THAT FURTHER IMPROVES TRANSPARENCY AROUND THE METHODOLOGY AND DATA UNDERLYING THE CCP DISCLOSURES TO ASSISTS IN THE OVERALL QUALITY OF ANALYSIS CONDUCTED BY THE MARKET." STATED MEMBERS OF THE CCP12 PQD WORKING COMMITTEE.

CCP12 publishes PQD Newsflash Q2 2020

On 09th of October 2020, the Global Association of Central Counterparties (CCP12) published its tenth PQD Newsflash, which includes the PQD data for Q2/2020. The Newsflash gives a high-level overview of published collated figures in the field of risk management provided by Central Counterparties around the globe. It seeks to complement existing public statistics, such as the BIS derivatives statistics, by providing a summary of key indicators.

In the last collation 42 CCPs (representing 27 CCP12 members) were included: 13 CCPs from the Americas, 16 CCPs from APAC, and 13 CCPs from EMEA. For Q2 2020 the CCPs included in the collation required over USD 1.035 billion of initial margin and had USD 120 billion in additional default fund resources.

The data is compiled directly from the source – the CCPs themselves – according to a standardized template carrying information stipulated in global regulatory guidance. Further details for individual CCPs can be found in links provided on the CCP12 website (<https://ccp12.org/pqd/>).

[The latest Newsflash can be found here](#)



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CCP12 is a global association of 37 members who operate more than 60 individual CCPs globally across EMEA, the Americas and the AsiaPacific region. CCP12 aims 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 of its members and seeks to actively engage with regulatory agencies and industry constituents through consultation responses, forum discussions and position papers.

