

PRESS RELEASE  
CCP12 PUBLISHES

INCENTIVES  
FOR  
CENTRAL CLEARING  
AND  
THE EVOLUTION OF  
OTC DERIVATIVES

—  
A CCP12  
REPORT



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**CCP12**

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## PRESS RELEASE

CCP12 - the Global Association of Central Counterparties publishes “Incentives for Central Clearing and the Evolution of OTC Derivatives – A CCP12 Report”.

Ten years after the G20 Leaders’ commitment to reform over-the-counter (OTC) derivatives markets, this report examines the progress made in central clearing with an emphasis on the incentives that are in place.

The G20 mandate to make the financial sector safer, simpler, and fairer was implemented with different regulatory measures. As for OTC derivatives, policy makers and regulators decided that these should either be centrally cleared through Central Counterparties (CCPs), or come under stringent bilateral risk management standards.

This report takes a look at the current OTC derivatives market place, providing an in-depth look at the state-of-play across a broad array of asset classes, jurisdictions and product types.

One of the key reforms being implemented into non-cleared markets has been to require sounder risk management practices similar to cleared derivatives markets, i.e. Uncleared Margin Rules. This report shows that clearing rates for most products have been increasing steadily since the introduction of clearing mandates and UMR.

Across three different products, three CCPs and multiple jurisdictions, this report presents case studies that highlight the benefits of clearing to markets. Each case study on its own provides detailed explanations why the market chooses to clear certain products including without clearing mandates.

“The CCP12 Report Incentives for Central Clearing and the Evolution of OTC Derivatives emphasizes the importance and advantages of central clearing and points out that there is room for more of the markets to move to clearing,” said Mr. Xu Zhen, Chairman of CCP12.

“The report is to be seen as a complement to the recently released FSB DAT report on Incentives to Centrally Clear Over-The-Counter Derivatives. Our report focusses additionally on the increased trade procedural costs in uncleared markets, as a result of implementing Uncleared Margin Rules,” said Mr. Marcus Zickwolff, CEO of CCP12.

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

CCP12 is a global association of 36 members who operate more than 50 individual CCPs globally across Europe/Middle East/Africa (EMEA), the Americas, and the Asia-Pacific (APAC) regions. 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, while also actively engaging with regulatory agencies and industry constituents through consultation responses, forum discussions and position papers.

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