

JULY 2021

CCP12 BI-ANNUAL NEWSLETTER

FIRST EDITION



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CEO NOTE



TEO FLOOR
CCP12 CEO

Dear Reader,

Welcome to the First 2021 Newsletter of the Global Association of Central Counterparties - CCP12.

In the first half of 2021, we hosted our CCP12 Annual General Meeting 2021 (virtually), at which the new Primary Member Dubai Clear from Dubai was accepted. You can find more about this on page 2. We published our third Annual Markets Review in Central Counterparty Clearing (Please see page 3). As always, we published an extended PQD Newsflash for Q4 2020. Details about our PQD publications can be found on page 6.

Our team is growing and we recently opened an internship program in our Shanghai Office. Please find more about this on page 7.

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

Recent News



CCP12 – HELD ITS VIRTUAL 2021 ANNUAL GENERAL MEETING (AGM)

On 23rd of June 2021, the Global Association of Central Counterparties (CCP12) held its Virtual 2021 Annual General Meeting (AGM).

In the first virtual Meeting of the General Assembly in 2021, CCP12 Members approved the 2020 audit report and the updated CCP12 Bylaws, acknowledged the progress report and the work plan for the upcoming years and approved the budget plan for 2022. The four Working Committees of CCP12 presented their work, and recent publications, including the CCP12 Policy Perspective on the implementation timeline for the Basel III Standards, the updated PQD FAQ Guide, and joint work with EACH, FIA, and ISDA on CCPs' default management auctions on category 1 topics.

On the second day of the AGM on 30th of June 2021, CCP12 members welcomed experts from the CPMI-IOSCO Policy Standing Group (PSG), the Federal Reserve Bank of Chicago and the Federal Reserve Board for an informal discussion on market developments, best practices, and policy issues.

CCP12 WELCOMES DUBAI CLEAR LLC AS CCP12 PRIMARY MEMBER

On 28th of June 2021, the Global Association of Central Counterparties (CCP12) announced to the public the approval of a new CCP12 Primary Member. CCP12 has now 36 Primary Members and 2 Observer Members.

Dubai Clear LLC was launched on 28th of April 2020 and operates as a CCP for the Cash and Derivatives markets. Dubai Clear is a wholly owned subsidiary of Dubai Central Clearing and Depository Holding LLC (DCCD), which in turn is a wholly owned subsidiary of Dubai Financial Markets PJSC (DFM). Dubai Clear LLC is regulated by Securities & Commodities Authority, the federal regulator in the UAE and operates on world-class Nasdaq developed CCP technology offering enhanced risk management and trade settlement in line with international best practices.

If you are interested in CCP12 Membership, please contact: office@ccp12global.com

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





Publications

CCP12 Annual Markets Review in Central Counterparty Clearing

On 18th of March 2021 CCP12 published its third Annual Markets Review in Central Counterparty Clearing. 2020 was overshadowed by the health and economic crisis arising from the COVID-19 Crisis, so much so that what would otherwise have been remarkable news stories for the markets – transition to risk-free-rates, negative oil prices, Brexit, and key elections – have taken second stage.

This issue of the CCP12 Annual Markets Review has the COVID-19 Crisis and its effect on cleared markets as its main connecting theme, supplemented with case studies exploring salient aspects of both business-as-usual and special circumstances across our membership.

7 CCP12 members - CCIL, CME, Eurex, JSCC, LCH, Muqassa, SHCH - provided case studies, which highlight key insights into certain CCP mechanics and operational processes, paying particular attention to how CCPs operated during the extreme volatility of the COVID-19 Crisis.

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

CCP12 Policy Perspective on the implementation timeline for the Basel III Standards

On 31st of May 2021 CCP12 published CCP12 Policy Perspective on the implementation timeline for the Basel III Standards. In this Policy Perspective, CCP12 kindly requests that local regulatory authorities coordinate globally on the implementation timelines of the Basel III standards. Furthermore, CCP12 asks that these authorities provide transitional arrangements, if necessary, such that foreign CCPs could continue to be treated as qualifying CCPs under their bank and bank-affiliated clearing members' local regulatory regimes, despite any timing gap in the foreign CCP's domestic regulatory regime for the implementation of the Basel III standards.

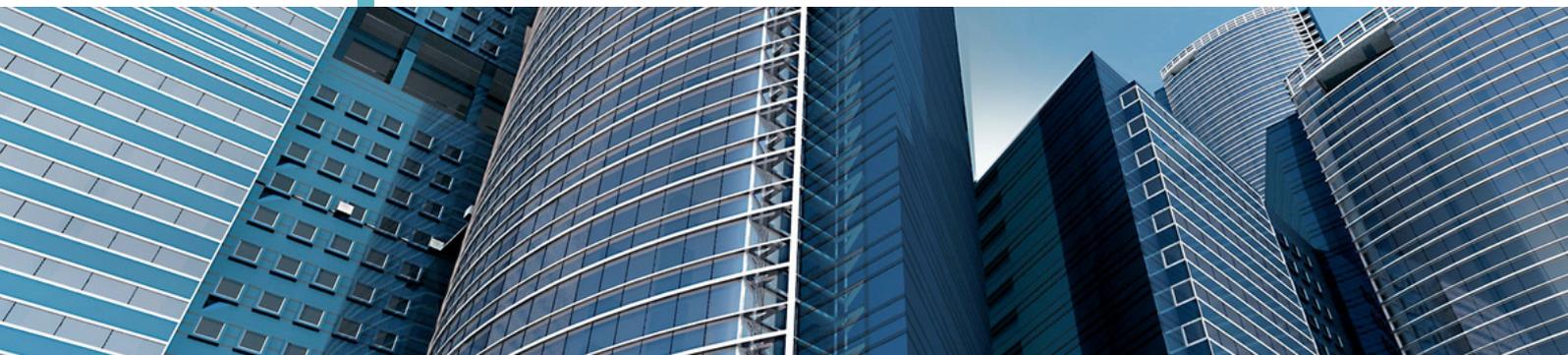
[To read the full paper please click here.](#)

CCP12, EACH, FIA and ISDA publish a paper to address CPMI/IOSCO category 1 topics

CCP12, EACH, FIA and ISDA published a paper to address CPMI/IOSCO category 1 topics. In the report “Central counterparty default management auctions – Issues for consideration”, the Committee on Payments and Market Infrastructures (CPMI) and the Board of the International Organization of Securities Commissions (IOSCO), described issues for further industry work to consider the design and conduct of default management auctions. These issues were structured into three categories of work where the Policy Standing Group of CPMI-IOSCO sought industry action:

- ◆ The first category includes several terminology and operational issues where there is broad industry consensus to support further development.
- ◆ The second category includes areas (governance of a CCP’s default management process, use of traders in default management groups, the scope of client participation) where there may be differing views among clearing members, clients, CCPs, and other stakeholders.
- ◆ The third category includes potential nascent and emerging practices (synchronizing default management processes, identification of potential hedges between CCPs) that may require further coordination and harmonisation among the default management processes of multiple CCPs.

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

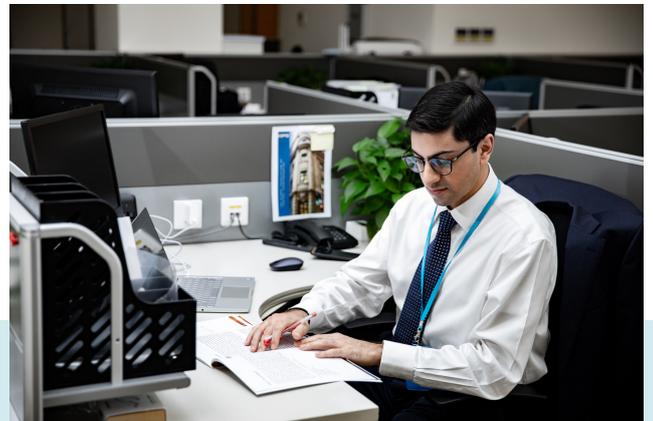




CCP12 responds to the FSB discussion paper on ‘Regulatory and Supervisory Issues Relating to Outsourcing and Third-Party Relationships’

On 8th of January 2021, CCP12 submitted its response to the FSB discussion paper on ‘Regulatory and Supervisory Issues Relating to Outsourcing and Third-Party Relationships’. In the CCP12 response to FSB’s discussion paper on ‘Regulatory and Supervisory Issues Relating to Outsourcing and Third-Party Relationships’, CCP12 shares the CCP’s perspective on this important topic.

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



CCP12 responds to the HM Treasury Consultation on Expanded Resolution Regime: Central Counterparties

On 25th of May 2021, CCP12 submitted its response to the HM Treasury Consultation on Expanded Resolution Regime: Central Counterparties. In its response, CCP12 provides views on the proposed scope of the NCWO safeguard, the proposed second tranche of skin-in-the-game, the proposal to limit the statutory VMGH power to default loss scenarios and the proposed compensation process.

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

CCP12 publishes PQD Newsflash Q4 2020

In April 2021, the Global Association of Central Counterparties (CCP12) published its twelfth PQD Newsflash, which includes the PQD data for Q4/2020. 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 43 CCPs (representing 28 CCP12 members) were included: 13 CCPs from the Americas, 16 CCPs from APAC, and 14 CCPs from EMEA. For Q4 2020 the CCPs included in the collation required over USD 1.043 billion of initial margin and had USD 125 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](#)



CCP12 Office Updates

In March 2021, the CCP12 Office launched an CCP12 internship program in Shanghai. We are delighted to welcome our first intern Shen Siyuan, who studies Media program at the Shanghai Normal University. CCP12 is offering an internship opportunity for all students who are interested in the clearing industry.

If you want to apply for internship position please, forward your CV to office@ccp12global.com and we will contact you accordingly.

Furthermore, our team is growing once again - and we couldn't be more excited! To help us continue providing the best service to our members, we recently brought on one new team member. We are very delighted to welcome Wang Qian as our HR & Admin person to our Shanghai Office.

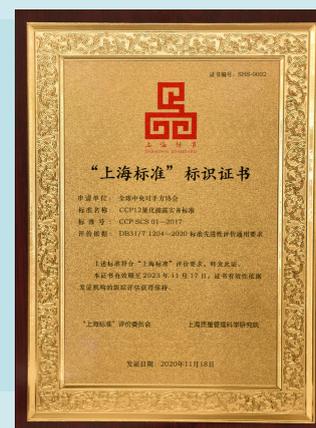


“Taicang Lu Show and Tell Sessions”

In order to increase the understanding of other CCPs and to highlight interesting experiences, CCP12 set up a regular information sessions for CCP12 members, which is called “Taicang Lu Show and Tell Sessions”. In these meetings, CCP12 members prepare a specific topic and present this to the other members.

Shanghai Standard

In November 2020, CCP12 respectively the CCP12 Template for Public Quantitative Disclosures for CCPs has been awarded the Shanghai Standard.



LaSalle Street podcast

In May 2021, Teo Floor (CCP12 CEO) along with Ulrich Karl (ISDA), Pedro Gurrola Perez (The World Federation of Exchanges), and Jason Silverstein (SIFMA) took part in the Federal Reserve Bank of Chicago’s podcast - LaSalle Street, which is moderated by Ketan Patel.

The guests delved into a range of clearing and trading related topics including margining, pro-cyclicality, loss allocation, market structure, and the recent events around Archegos Capital Management. The discussion included the prospects of clearing other asset classes, while guests provided their perspectives on the March 2020 market stress and lessons that can be learned.

[To listen to the episode please click here](#)

Teo Floor joins JFMI Editorial Board

In July 2021, Teo Floor, CEO of CCP12, joined the Journal of Financial Market Infrastructures (JFMI) Editorial Board, which reviews and decides on technical and policy-oriented papers in regards to payment, clearing and settlement systems, as well as repositories.

[Further information on the JFMI, which is led by Editor-in-Chief Ron Berndsen can be found here](#)

CONTACT US

ADDRESS: 19F No. 233 Taicang Rd. Huangpu District, Shanghai, China

PHONE:
+86 (021) 5309-8712

E-MAIL:
office@ccp12global.com

HOMEPAGE: www.ccp12.org



CCP12 is a global association of 38 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.

