CIDS 2025 – The CCP Global International Default Simulation

-

Post-Exercise Report

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Amsterdam

CCP GLOBAL
THE GLOBAL ASSOCIATION OF CENTRAL COUNTERPARTIES

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1. Content

2. List of Abbreviation

A.C.M.E.	A Clearing Member Everywhere (a hypothetical clearing member)
AML	Anti-money Laundering
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht
BAU	Business-as-usual
BoE	Bank of England
BuBa	Deutsche Bundesbank
CCP	Central Counterparty
CCP Global	The Global Association of Central Counterparties
CDS	Credit Default Swap
CFTC	Commodity Futures Trading Commission
CIDS	CCP Global International Default Simulation
CM	Clearing Member
CPMI	Committee on Payments and Market Infrastructures
CSD	Central Securities Depository
DEIM	Default Emergency Information Mechanism
DF	Default Fund
DMC	Default Management Committee
DMG	Default Management Group
DMP	Default Management Process
ESMA	European Securities and Market Authority
FMIs	Financial Market Infrastructures
FX	Foreign Exchange
GUI	Graphical User Interface
IM	Initial Margin
IOSCO	International Organization of Securities Commissions
KYC	Know-your-customer
MPOR	Margin Period of Risk
NCA	National Competent Authority
P&L	Profit and Loss
PFMI	Principles for Financial Market Infrastructures
PS	Payment System
SSBs	Standard Setting Bodies
SSS	Securities Settlement System
TR	Trade Repository
VM	Variation Margin

3. Introduction

The Global Association of Central Counterparties ("CCP Global") has once again collaborated with authorities, central counterparties ("CCPs"), and various stakeholders to organize the second CCP Global - International Default Simulation ("CIDS") exercise: CIDS 2025. This report documents the CIDS 2025 exercise, outlining key activities, analyzing findings, and establishing a reference point for future exercises.

The Committee on Payments and Market Infrastructures ("CPMI") and the International Organization of Securities Commissions ("IOSCO") in 2012 published the *Principles for Financial Market Infrastructures* ("PFMI")[1], a principles-based framework which provides guidance for the risk management practices of Financial Market Infrastructures ("FMIs"), including payment systems ("PS"), securities settlement systems ("SSS"), central securities depositories ("CSD"), trade repositories ("TR"), and CCPs. As outlined in *Principle 13: Participant-default rules and procedures* of the PFMIs, FMIs should establish clear, well-defined rules and procedures to ensure the proper management of a participant default, as shown below:

> <u>PFMI Principle 13: Participant-default rules and procedures</u>
> An FMI should have effective and *clearly defined rules and procedures* to manage a participant default. These rules and procedures should be designed to ensure that *the FMI can take timely action to contain losses and liquidity pressures* and continue to meet its obligations.
>
> <u>Key considerations:</u>
> 1. An FMI should have default rules and procedures that enable the FMI to continue to meet its obligations in the event of a participant default and that address the replenishment of resources following a default.
> 2. An FMI should be *well prepared to implement its default rules and procedures*, including any appropriate discretionary procedures provided for in its rules.
> 3. An FMI should publicly disclose key aspects of its default rules and procedures.
> 4. An FMI should *involve its participants and other stakeholders* in the testing and review of the FMI's default procedures, including any close-out procedures. Such testing and review *should be conducted at least annually* or following material changes to the rules and procedures to ensure that they are practical and effective.

To confirm participant readiness and adhere to the PFMI Principle 13, CCPs run default simulations ("fire drills") at least once per year, which include direct clearing members ("CMs") and indirect participants, i.e., clients, for their default management process/procedure ("DMP"). The periodic testing and review of default procedures is important to help the CCP and its participants understand fully the procedures and to identify any lack of clarity in, or discretion allowed by, the rules and procedures. Fire drills differ from stress tests, which validate the financial resources of a CCP against extreme market shocks.

Default simulations test whether the plans an *individual* CCP and its participants have developed for managing a member default are operationally sound. Such exercises, conducted by different CCPs in isolation, may not reflect the operational stress faced by CCPs and their participants (or the interplay of actions by multiple CCPs) in the event of a default by a common CM facing multiple CCPs or simultaneous default of unrelated CMs; CIDS is a *multi*-CCP default simulation exercise and therefore offers to test such operational aspects. It also provides an opportunity to compare and contrast the variety of approaches adopted by CCPs in running the default simulations.

[1] CPMI-IOSCO, Principles for Financial Market Infrastructures, April 2012 (link).

Such an exercise will generally assume the defaulting CM is a common member at multiple CCPs, and the default will cascade or occur around the same time at other CCPs. Further hypothetical commonalities in the scenarios and product classes cleared may be built to assess more in-depth interactions between CCPs and non-defaulting CMs and other participants in the DMP. This type of joint exercise can help identify potential operational bottlenecks in the DMP when they are initiated by multiple CCPs concurrently.

This report summary is prepared in accordance with the responses from CCPs that participated in the CIDS 2025 exercise. The feedback from CCPs was based on a post-exercise survey prepared by CCP Global for participating CCPs. In total, 35 of the 36 participating CCPs submitted their survey responses to CCP Global. In addition, regulators prepared their own survey through which participating CMs and clients were able to provide feedback, along with areas for improvement at individual or multiple CCPs; the summary of participant responses is included in the co-lead authority paper published alongside this report. Because the responses of the market participants went solely to the co-lead authorities, their feedback is entirely incorporated into the regulator report, while this CCPG report focuses on the responses on the participating CCPs.

4. Overview of the 2025 CIDS Exercise

The CIDS 2025 exercise was the second multi-CCP default simulation exercise coordinated with collective industry efforts by CCPs through CCP Global, building on the works of the first such exercise, i.e., CIDS 2023[2]. Multiple international regulators were consulted, and CCP Global and its members are highly appreciative of their collaboration and further guidance. We are especially grateful for the enthusiasm and active engagement with the official co-lead authorities of the CIDS 2025 exercise, including the Commodity Futures Trading Commission ("CFTC"), European Securities and Markets Authority ("ESMA"), Bank of England ("BoE"), and both the Deutsche Bundesbank (BuBa) and the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin").

36 individual CCPs (consisting of CCP Global member and non-CCP Global member CCPs) committed to participating in the CIDS 2025 exercise; the full list of the participating CCPs and their supervisory authorities can be found in Appendix 2. In addition, 12 CCP Global members chose to observe the exercise and plan to take a more active role in future drills; these members are also listed in Appendix 2.

Following the CIDS exercise, CCP Global organized two workshop sessions with authorities and market participants, with the first taking place immediately after the exercise in December 2025 in Singapore and the second taking place after the publication of both the CCPG and regulator reports in June 2026 in Amsterdam.

4.1 Objectives

The CIDS 2025 exercise focused on evaluating the operational aspects of a central counterparty's DMP when they are concurrently initiated by multiple CCPs, encompassing critical processes and phase components such as the execution of hedges, auctions, default management group or default management committee ("DMC") convention, and the liquidation of collateral. CIDS 2025 aimed to:

1. Foster communication and preparedness across CCPs, CMs, and clients for a live default;
2. Compare and contrast approaches to continue developing best practices; and
3. Bring a greater number of CCPs in multi-CCP default simulations to create more realistic testing

[2] CCPG 2023 CIDS Summary Report

The exercise also provided a chance to discuss default management best practices amongst participating CCPs, identify follow-on work, and develop insights on the default simulation for standard setting bodies ("SSBs") and regulators in post-exercise deliverables.

4.2 Common narrative

In the CIDS 2025 exercise, participating CCPs conducted their respective default simulations under a high-level common narrative. A hypothetical defaulting clearing member, A.C.M.E. ("A Clearing Member Everywhere"), was assumed to be one of the five largest CMs as defined by each CCP participating in the exercise. Each CCP defined its own scenarios (e.g., stressed or non-stressed market conditions) and created the defaulting CM's portfolio(s). During the exercise, CCPs followed their established internal DMPs, and the communication and information sharing between CCPs and their respective regulators was expected to be similar to what would occur during an actual default event. Each CCP was also responsible for the invitation and communication of the details of the exercise to its participating CMs and clients.

4.3 Scope of the test

The overall scope of asset classes and market segments to be included in each individual exercise was determined by the respective participating CCP. CCPs had the flexibility to decide the composition of A.C.M.E.'s portfolios and the scope of their respective simulation. The asset classes included energy, metal and agriculture commodities, as well as equity derivatives, credit default swaps ("CDS"), fixed income derivatives, repo, foreign exchange ("FX") derivatives, crypto products, interest rate derivatives, and cash equities. Each CCP included asset classes into the simulation that covered a significant part of the overall risk exposure. In most cases, the default simulation incorporated hedging, liquidation/direct sale and auctioning of the defaulted CM's portfolio(s) according to the respective CCP's DMP. An optional porting module was also included in the 2025 exercise and taken up by over half of the participating CCPs.

Product Class	Hedging	Liquidation / Direct Sale	Auction	Client Porting
Commodities (Energy)	✓	✓	✓	✓
Commodities (Metals)	✓	✓	✓	✓
Commodities (Agriculture/Soft Commodities)	✓	✓	✓	✓
Equity Derivatives	✓	✓	✓	✓
CDS	✓		✓	✓
FX Derivatives	✓	✓	✓	✓
Cash Equities		✓	✓	✓
Crypto Products	✓	✓	✓	✓
Repo	✓	✓	✓	✓
Fixed Income / Interest Rate	✓	✓	✓	✓
FI/IR Derivatives	✓	✓	✓	✓

The high-level common narrative of a hypothetical common CM default is in some sense a very worst case scenario, as there is no single CM that is active across all the CCPs included in the CIDS exercise that would be in a top five clearing member, which is sensible given the great variety of localities, asset classes, and markets included in the CIDS exercise.

5. Activities during the CIDS Exercise and Feedback

The CIDS 2025 exercise began with the default of A.C.M.E. on November 3, 2025 and ran until the end of the default management process as planned by each individual participant CCP. Most participating CCPs started their DMP on November 3 when practical, while a few CCPs began their DMP on November 4, accounting for the local holiday schedules or holidays in overseas operations offices; all participating CCPs completed their DMP by November 11th. Such divergence in timing is realistic and reflective of actual historical default management at CCPs, often the result of differing ways in which a default unravels across the constituent legal entities of a global institution.

From the responses, all but one of the participating CCPs successfully hedged or closed out the positions of A.C.M.E. and returned to a matched book within the margin period of risk ("MPOR"), which represents CCP's estimate for the length of time required to liquidate, auction, or hedge the positions of a defaulting CM. The one holdout noted they were unable to liquidate the simulated portfolio in its entirety, with the liquidation continuing internally via the recovery and resolution tools stipulated in their default management procedure.

5.1 CCP Global Default Emergency Information Mechanism

During the exercise, CCP Global and its member CCPs tested the internal default mailing list, known as the Default Emergency Information Mechanism ("DEIM"). The mechanism enables member CCPs to quickly inform one another when a participant default occurs, enhancing situational awareness across the global clearing landscape. CCP Global maintains an internal, secure mailing list for the purpose of distributing emergency notifications regarding member defaults. It is designed to assist in scenarios where a single clearing member defaults simultaneously across multiple CCPs, allowing for a coordinated, rather than isolated, response. This mechanism is tested and refined through the CIDS exercises to ensure that contact lists are up-to-date and that notifications sent out in a timely manner.

5.2 CCP communication with participants

Open communication between CCP Global, CCPs and CMs/clients is a key aspect to the CIDS 2025 exercise. On April 10, 2025, CCP Global released the CIDS 2025 Guidance Letter to participating and observer CCPs, market participants and industry associations which outlined the important information for the 2025 exercise. Alongside this guidance letter, which can be found in Appendix 3 of this report, CCPs distributed information packs to their expected participating CMs, which included:

- Important dates associated with the fire drill
- Product scope
- Testing scope
- Auction methodology and platform information
- Sample files for ingestion
- DMG timings
- Expected communication flow

Prior to the next exercise, CCPG will determine if further work can be done to collectively share overlapping details outside the guidance letter with participating CMs, as several members highlighted that it would be beneficial for as much information as possible to come from a single source and not each individual CCP.

5.3 Auctions

Auctions are critical risk-management tools used to liquidate a defaulting clearing member's portfolio, preventing contagion. Auctions involve selling the portfolio to surviving members, often using uniform price formats to minimize default losses. These auctions are crucial for a CCP's DMP, ensuring stability and reducing systemic risk.

When a member defaults, the CCP inherits a portfolio with directional exposure. To avoid further losses, the CCP often hedges the portfolio before auctioning it, as hedged portfolios generally attract better prices. The portfolio may be auctioned in its entirety or split into smaller segments to maximize participation and improve pricing, particularly when the portfolio is large or concentrated. Auctions are structured to encourage participation from surviving clearing members, often requiring them to bid for certain product classes. In some cases, to ensure enough liquidity for the auction, non-clearing member firms may also be invited to participate.

Auctions for the CIDS 2025 exercise took place between November 3 and November 7, 2025. Despite the overlapping of several bidding windows, less than 10% of the responding CCPs received requests from CMs and clients to extend the bidding windows. Overall, the concurrent bidding windows did not appear to create any significant operational difficulties. Participants also observed that simultaneous auctions were largely manageable within their respective scope of participation (across CCPs, regions, and products). CCP Global and its members did not plan or choreograph the timing of the auctions either before or during the exercise.

Market scenarios

During the default simulations, participants were often asked to consider specified market conditions and assumptions when submitting the bids. Because CCPs were able to define their own market scenarios for the fire drill and create the defaulting clearing member's portfolio(s), a wide range of market conditions/assumptions were considered by CMs and bidders for their respective CCP's individual drill.
The scenarios can generally be categorized as stressed and non-stressed, with each option having several caveats that varied at the individual CCPs. For the CIDS 2025 exercise, just under 50% of the respondents indicated that a form of stressed market conditions were assumed for the exercise; these included:

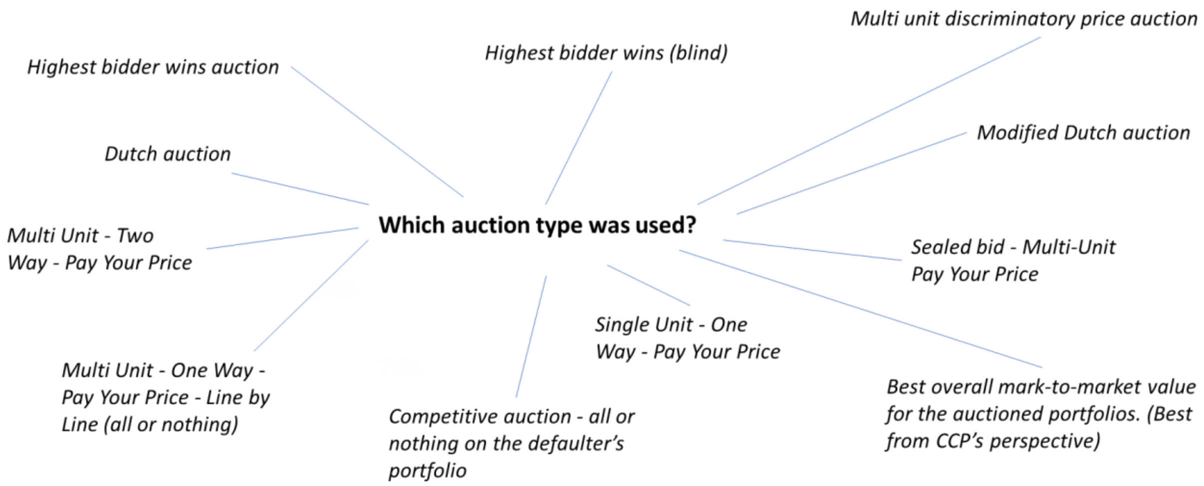
- A single stressed market scenario that was used across all auctions, assuming significantly reduced liquidity and widened bid-ask spreads consistent with a severe but plausible market downturn;
- A non-stressed scenario for mid-price, with a stressed scenario for liquidation costs;
- Product specific stress scenarios;
- A scenario in which interest rates fluctuate sharply, as the ACME failed to fulfil its margin requirement;
- High level moves in equity and interest rate markets in the lead up to the default;
- A scenario where bidders considered normal market conditions for consistency of bids, with the CCP then stressing the bids for the loss allocation

Participants generally aligned their submitted bids with the market conditions requested by the CCPs, with only a single respondent indicating that participants in their repo auction did not reflect the indicated market rates.

Auction types

For CIDS 2025, a variety of auction types were used by participating CCPs, though most were derived from three primary styles: Modified Dutch, Pay-As-You-Bid, and both Single- and Multi-Unit Pay-Your-Price.

- In a Modified Dutch auction, participants bid for a specific percentage of the defaulted portfolio. Winning bids are determined on a cumulative basis from the highest, most competitive price to the lowest acceptable price. The CCP then applies the lowest accepted winning price to all accepted bids, regardless of what individual participants originally bid.
- Pay-As-You-Bid, or "first price" auctions involve sealed bids where multiple units or segments of the defaulted portfolio are auctioned. Participants submit bids simultaneously for the portion they are willing to take. Winning bidders pay the exact price they provided, rather that a single clearing price. This encourages participants to bid aggressively to secure portions of the portfolio without overpaying.
- In the Single-Unit Pay-Your-Price format, the CCP auctions the portfolio as a single, indivisible unit, with participants submitting their sealed bids for the entire package. The participant offering the highest acceptable price wins and pays said amount to the CCP. This differs from the *multi*-unit format, where surviving CMs bid on portions of the defaulter's portfolio.



For additional information on auction types, please refer to the CCP Global/European Association of Clearing Houses ("EACH") Default Auction Best Practices paper from February 2021.[3]

Auction timing and bidding windows

When multiple CCPs conduct simultaneous auctions, there arises the potential to place significant pressure on participants through overlapping bidding windows, constraining their capacity to engage effectively at a single auction and risking the reprioritization of resources at the expense of business-as-usual ("BAU") processes. Although market participants called for greater coordination of auction schedules after the 2023 exercise, CCPs were generally hesitant, expressing concern that such coordination could foster a false sense of security and undermine the core objective of the CIDS, which is to stress-test the operational aspects of a default scenario. All auctions took place between November 3 and November 7, 2025.

[3] CCP_Default_Auction_Best_Practices_paper_category_1_Final

CCP auction bidding windows are critical, time-sensitive periods designed to liquidate a defaulting member's portfolio; the set windows are in place to ensure rapid risk management after a member default. Despite the purported overlap of auctions and bidding windows, only 13% or respondents received requests to extend the bidding windows or auction time. This highlights the ability of clearing members and their clients to participate effectively in multiple simultaneous auctions, even in the absence of a coordinated auction timeline. Bidding windows ranged at participating CCPs from 15 minutes to 24 hours, with 40% of the respondent fire drills featuring a bidding window of 1 hour or less.

Participation from CMs and clients

During the default simulations, CMs, and in some cases clients, were invited to participate in the auctions to refresh or enhance their understanding of the processes, systems, terminology used in the auction process, and tasks necessary for auction participation. The exercise also served as an opportunity for participants to familiarize themselves with the auction methodologies as adopted by different CCPs for the specific product types or clearing services.

In the CIDS 2025 exercise, there was observed variability in participation requirements among CCPs. Some CCPs made it mandatory for all CMs to participate, while others made it voluntary or partly mandatory (i.e., some CMs were specifically requested to participate in the auctions, or the entire simulation was done with volunteer participants).

Participation by CMs	CIDS 2025	CIDS 2023
• Mandatory for CMs	43%	55%
• Partly mandatory for CMs	27%	12%
• Voluntary for CMs	30%	33%
Participation by clients	56%	50%

The number of auction bidders exceeded the minimum threshold to declare the auction a success at all applicable CCPs where a minimum threshold is defined. No other concerns regarding participation levels were observed by CCPs, with reported participation rates from clearing members either equal to or better than those seen in previous individual and multi-CCP default simulation exercises.

When compared to previous *individual* default simulation exercises, 78% of participating CCPs reported similar participation rates in the CIDS 2025 exercise, while 22% reported higher participation with CIDS; when compared to previous *multi-CCP* fire drill exercises, 86% of respondents reported similar participation rates in the CIDS 2025 exercise, with 14% reporting higher participation with CIDS.

Bidding format and bid submission

During the fire drills, five of the participating CCPs reported receiving requests from CMs / bidders for clarification on the terminology / submission of the format, which is usually due to new staff that has not yet participated in a default exercise. The frequency of such occurrences was lower during the CIDS exercise than with other individual default simulations, which is most likely due to a notable uptick in training offered by CCPs to CMs / bidders before the simulation when compared to the 2023 exercise.

42% of CCPs mentioned issues with a small subset of bids (incorrect format, wrong sign conventions, incongruent files from CMs / bidders), although none that in any way affected the end result of the exercise; all CCPs who mentioned an issue also stated that the frequency of bidding issues was either in line or better with CIDS than with previous fire drills.

Auction Platforms

For the CIDS 2025 exercise, four CCPs mentioned that there was a failure to access to the auction portal; however, several market participants had access issues due to the fact that they were late for the start of the auction, which is a typical pattern seen in both individual and multi-CCP exercises.

5.4 Default Management Group convention

A DMG is an advisory committee assembled by a CCP following a clearing member's default. Usually composed of seconded trading experts from surviving clearing members, the DMG assists the CCP in safely hedging the defaulting portfolio, limiting market disruption, and organizing member auctions to restore a balanced book. DMGs are convened within hours of a default notice being served to quickly assess the defaulter's positions, and provides real-time market expertise to help the CCP neutralize directional risks and formulate an effective hedge execution strategy. DMGs also advise on how to best slice the portfolio (if applicable) and set competitive terms for subsequent default management auctions.

71% of CCPs participating in the CIDS 2025 exercise convened DMGs, with the expectation that the group provide hedging expertise and approval of hedging strategies, advice on market conditions, liquidation and porting, and general approval of the default management process. Of those members who convened a DMG, 15% noted low participation amongst the expected members, although only one CCP felt the low participation adversely affected the productivity of the DMG.

5.5 Hedging

After the default of a clearing member, the CCP may elect to hedge the defaulted CMs portfolio, which is the process of executing trades in the open market to help neutralize the market risk before auctioning it off to remaining clearing members. Hedging minimizes the CCP's exposure to adverse price movements in the potentially volatile period between a member's default and the offload of their positions; by stripping away the most complex or volatile risks, the remaining portfolio becomes much more appealing to the surviving CMs, making a successful auction more likely. For the CIDS 2025 exercise, 20% of the participating CCPs conducted hedging activities through brokers or other external parties; in all such cases, the response time observed was either similar to or better than in other individual fire drill exercises.

5.6 Liquidation/ direct sale

CCPs may elect to rollout multiple different strategies to close out the portfolios of a defaulted CM, taking into consideration factors such as product liquidity and market conditions. This may include engaging designated default brokers to liquidate positions through open market transactions or bilateral trades.

In addition to (or in combination with) auctions, CCPs liquidated positions through several means, including on-exchange trades, independent sale, order book execution, and/or backstopping physical delivery for positions with short term expiries. In cases where external brokers were involved in executing liquidation strategies *other* than auctions, CCPs generally reported similar response times when compared to other individual default simulation exercises.

5.7 Client Porting

Porting refers to the transfer of client positions and collateral from one defaulting or distressed CM to a solvent, non-defaulting CM. The goal of porting is to allow clients of the troubled CM to retain their existing open trades, maintain market access, and limit exposure to the defaulting member. The CCP transfers the client's positions along with the associated initial and variation margins to the new member. Clients can often pre-designate an alternate CM to take over their portfolio in case of a default, although this is not the case at all CCPs, nor is it required by all national competent authorities ("NCA"), as differences in account segregation (e.g., individual vs. omnibus segregation) and legal jurisdictions affect how porting is handled globally. The substitute CM must still perform credit reviews and KYC checks on the new clients, which can sometimes delay or prevent successful transfers.

For the CIDS 2025 exercise, a porting module for *optional* inclusion was specifically requested by the fire drill's co-lead authorities; CCPs were strongly encouraged to both include this module in their exercise while also involving a number of their (general) CMs so they could opt-in as well. 60% of the participating CCPs chose to include porting in their simulation, with a small number of the participants testing client porting for the first time. Of those CCPs who included porting, 86% included clearing members and/or clients in testing the procedures, a majority of whom were familiar with the porting procedures, although several CCPs indicated that the fire drill, and more specifically the inclusion of the porting module, was able to draw out extra information that CMs would require in an actual default that will now be added to CCP's porting guidelines and rationale preparation material.

While a majority of CCPs did not report any issues in the acceptance of ported portfolios during the exercise, the most common issues that were reported revolved around the inability to onboard in the porting window, as the receiving CM required additional time for onboarding/KYC related tasks. Even if the clients were onboarded, some CCPs cited internal processes at CMs that would cap the number of clients that could be ported. In addition, 12% of CCPs that included the porting module felt that the staffing levels at their organization were inadequate to conduct porting during a non-simulated event.

Additional challenges with including the porting module into general default simulations were as follows:

- One CCP stated that as they do not maintain the relationship with clients, the exercise was largely held with CMs as a decision-making exercise on whether to accept hypothetical clients and their portfolios, and enabling client participation in the exercise was challenging.
- Another highlighted that it would be challenging for the client of the CCP's clearing member in default to get a back-up clearing member *during* the porting window if the back-up clearing member is not already designated by the client according to our clearing rules. This is especially true if the CCP needs to wait for a non-objection confirmation from their NCA, which is the case in some jurisdictions.
- While 70% of CCPs who included the optional module felt the porting simulation felt realistic, the remaining highlighted the difficulty in simulating the credit and KYC processes with members in a non-live scenario, as well as the fact that in a real default the response time would be expected to be longer due to stressed market, which as mentioned prior was not included in all fire drills.

CCPs found that the porting module was a beneficial addition to the fire drill exercise, with multiple members stating that it helped to bring to light potential weaknesses in their DMP that would arise in an actual default event. The consensus would be to not only keep porting in the next planned CIDS exercise, but to also expand on the parameters of the 2025 module for additional testing.

6. Summary and Future Exercise

Default simulations are vital for testing a CCP's readiness and operational ability to handle the failure of a major clearing member, preventing financial contagion and ensuring markets remain stable during times of extreme market stress. Global simulations such as the CIDS exercise add a layer of realism to these fire drills, assessing the domino effect of a firm simultaneously defaulting across multiple central counterparties. The continued development of these multi-CCP default simulation exercises will help to ensure that the DMP established at individual clearing houses is just as effective in isolation as it is in a real world default of a major CM.

CCPs resoundingly stated their approval of the CIDS 2025 exercise, with 100% of participating central counterparties both asking that CCP Global coordinate the next joint-CCP default simulation exercise, as well as expressing their interest in participating in the next CIDS fire drill. When it comes to the scheduling of the next CIDS, a vast majority of the participants proposed to keep the biennial nature of the exercise, with 97% of CCPs asking that the next joint fire drill exercise take place in Q4 of 2027; several members asked for a mid-month start date in order to avoid production month-end/quarterly procedures, while others asked to avoid dates surrounding daylight savings time changes. CCP Global appreciates the feedback received from the participating CCPs, and looks forward to discussing the feedback the co-lead authorities received from participating clearing members and clients, as well as direct discussions with said CMs and industry associations such as ISDA, the FIA, EPTA etc.. After the release of the authority report, CCPG plans to create a combined lessons-learned document which will be vital for the planning of the next exercise. We are already looking forward to working once again with the co-lead regulators of the exercise, as well as market participants and an expanded list of participating CCPs with CIDS 2027.

7. About CCP Global

CCP Global is the global association for CCPs, representing 45 members who operate over 60 individual CCPs across the Americas, EMEA, and the Asia-Pacific region.

CCP Global promotes effective, practical, and appropriate risk management and operational standards for CCPs to ensure the safety and efficiency of the financial markets it represents. CCP Global 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@ccp-global.org, or through our website by visiting www.ccp-global.org.

CCP Global Members

8. Appendix 1: Participating CCPs

List of participating CCPs in the 2025 CIDS exercise and their local lead regulators and authorities:

	CCP Participants	Local Lead Regulators / NCAs[4]
1	ASX Clear	Reserve Bank of Australia (RBA) / Australian Securities & Investment Commission (ASIC)
2	ASX Clear (Futures)	Reserve Bank of Australia (RBA) / Australian Securities & Investment Commission (ASIC)
3	B3 S.A.	Comissão de Valores Mobiliários (CVM) / Banco Central do Brasil (BCB)
4	Camara de Riesgo Central de Contraparte de Colombia S.A.	Superintendencia Financiera de Colombia (SFC)
5	Canadian Derivatives Clearing Corporation	Ontario Securities Commission (OSC) / Bank of Canada (BoC) / Autorité des Marchés Financiers (AMF)
6	Cboe Clear Europe	De Nederlandsche Bank (DNB)
7	Cboe Clear US	Commodity Futures Trading Commission (CFTC)
8	Clearing Corporation of India Ltd	Reserve Bank of India (RBI)
9	CME Clearing	Commodity Futures Trading Commission (CFTC)
10	ComDer Contraparte Central S.A.	Financial Market Commission (CMF) / Banco Central de Chile
11	Eurex Clearing AG	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)/ Deutsche Bundesbank (BuBa)
12	European Commodity Clearing	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)/ Deutsche Bundesbank (BuBa)
13	Nodal Clear	Commodity Futures Trading Commission (CFTC)
14	LME Clear	Bank of England (BoE)
15	OTC Clearing Hong Kong Limited	Securities and Futures Commission (SFC)
16	ICE Clear US	Commodity Futures Trading Commission (CFTC)
17	ICE Clear Credit	Commodity Futures Trading Commission (CFTC)
18	ICE Clear Europe	Bank of England (BoE)
19	ICE Clear Netherlands	De Nederlandsche Bank (DNB)

[4] European Securities and Market Authority (ESMA)also acted as a coordinator for several EU CCPs.

20	ICE Clear Singapore	Monetary Authority of Singapore (MAS)
21	ICE NGX	Alberta Securities Commission (ASC)
22	Japan Securities Clearing Corporation	Japanese Financial Services Agency (JFSA)
23	KDPW CCP	Polish Financial Supervision Authority (KNF)
24	Keler CCP	Central Bank of Hungary
25	Korea Exchange	Securities and Futures Commission (SFC)
26	LCH Ltd	Bank of England (BoE)
27	LCH SA	Autorité de Contrôle Prudentiel et de Résolution (ACPR)/ Autorité des Marchés Financiers (AMF)/ Banque de France
28	MIAX Futures	Commodity Futures Trading Commission (CFTC)
29	Muqassa Securities Clearing Center Company	Capital Market Authority (CMA)
30	Nasdaq Clearing AB	Swedish Financial Supervisory Authority (Finansinspektionen)
31	NSE Clearing Limited	Securities and Exchange Board of India (SEBI)
32	New Zealand Clearing and Depository Corporation Limited	Reserve Bank of New Zealand (RBNZ)/Financial Markets Authority (FMA)
33	Options Clearing Corporation	Securities and Exchange Commission (SEC)
34	Central Depository (Pte) Limited	Monetary Authority of Singapore (MAS)
35	Singapore Exchange Derivatives Clearing Limited	Monetary Authority of Singapore (MAS)
36	SIX X-Clear	

9. Appendix 2: Observer CCPs

List of observer CCPs in the CIDS 2025 exercise

	CCP Observers
1	ABAXX
2	Argentina Clearing S.A.
3	Bursa Malaysia Berhad
4	Depository Trust & Clearing Corporation
5	Dubai Commodities Clearing Corporation
6	Dubai Clear LLC
7	IDClear
8	Multi Commodity Exchange Clearing Corporation Limited
9	Shanghai Clearing House
10	Thailand Clearing House
11	Taiwan Futures Exchange
12	Takasbank

10. Appendix 3: CCPG CIDS 2025 Guidance Letter

CCP Global International Default Simulation (CIDS) 2025 Exercise

Guidance Letter

10 April, 2025

Dear All,

The 2025 CIDS Exercise will begin this year with the default of the fictional clearing member A.C.M.E. on **November 3rd, 2025** and run until the end of the default management process as planned by the CCPs. The Global Association of Central Counterparties (CCP Global, CCPG) is providing this guidance, in consultation with regulators and CCPG members, to ensure that all CCPs and clearing participants approach the drill in a consistent manner.

1. CCPs should follow the **high-level common narrative** of a hypothetical common clearing member (CM) default in a market scenario
    a. The defaulting clearing member, whose name is A.C.M.E ("A Clearing Member Everywhere"), is **assumed to be representative of one of the 5 largest CMs** as defined by each CCP

2. CCPs will **define their own scenarios** and create the defaulting clearing member's portfolio(s)
    a. Each CCP should include asset classes into the simulation that cover a significant part of the overall risk exposure; their regulators may stipulate specific asset classes to be included in this exercise as to also cover supervisory requirements for the period
    b. The overall 2025 CIDS exercise will therefore cover a broad range of asset classes
        i. The overall scope includes cash equities, fixed income, and repo, as well as interest rate, equity, commodity, foreign exchange, and credit derivative contracts
    c. In most cases, the default simulation will incorporate direct trading, hedging and auctioning of the defaulted member's portfolio(s) according to the CCPs' default management process
    d. A **porting** module for **optional** inclusion has been specifically requested by the CIDS co-lead regulators:
        i. CCPs are encouraged to include this module in their simulation exercise, and involve a number of their (general) CMs so they can opt-in as well
        ii. The most optimal result would be achieved if several CCPs across different jurisdictions were to opt-in to this module as part of their respective exercises
        iii. During this module, CCPs may request relevant CMs to accommodate porting of clients from the defaulted CM, in order to test prospective acquiring CMs' ability to do a full risk assessment of the prospective new clients, while also testing the relevant CCPs' (operational) processes linked to porting

        iv. The aim would be to achieve a balance between
            1. creating a porting scenario which is as realistic as possible, while also;
            2. achieving an acceptable level of confidentiality around clients/client positions
        v. Each CCP is best positioned to set-up its own porting exercise so guidelines should be flexible and high level, but portfolio to be ported should be "representative" of an actual CM portfolio in that it covers the most important client account types for the relevant CCP
    e. Additionally, collateral liquidation, and other modules such as funding arrangements, may be tested on a voluntary basis

3. CCPs may work with the respective regulators for specific components and side-events to be tested in the local or regional context, in addition to the high-level common narrative.
    a. It is up to the CCPs and their regulator(s) to decide whether to share such information with others.

4. Ideally, CCPs will conduct the default management processes along the same timeline of an actual default decision. However, if CCPs believe this is not practicable, they should inform their regulator(s). This provides a realistic, if divergent, beginning of a global member default.

5. During the drill, CCPs are expected to **follow their own internal default management procedures**. The communication and information sharing between CCPs and their respective regulators are expected to be similar to what would occur during an actual default event.
    a. **This information sharing will be part of the qualitative analysis following the drill**. If a CCP would prefer specific information not to be shared with the group of regulators, this should be communicated with its primary regulator.

6. Participants are expected to actively engage in the default simulation exercise. Any hypothetical trades, hedges, or auction prices sent to CCPs should be in line with that particular CCP's simulation requirements. Specific feedback will be requested from participants on the conduct of the global fire drill and potential issues experienced. This feedback can be provided to CCP Global (sharing this with co-lead regulators) or participants may elect to provide this feedback directly to the regulatory authority of the relevant CCP.

7. CCPs are also expected to provide information and metrics to CCP Global and their respective regulators and authorities. The data and information shown in the tables below will be collected for post-exercise analysis.
    a. Each CCP, in agreement with the respective regulators and authorities, should determine the most appropriate metrics for analysis, given their particular hypothetical portfolio(s).
    b. If non-CCP Global member CCPs choose to participate, they are encouraged to participate in collecting and sharing such information, though such choice resides with the CCP itself.

Quantitative Data	Qualitative Data
Collected by CCP Global	
Level of participation from CMs (and clients, if applicable)	Scope of the test (modules and description of product classes covered)
Time used for close-out of defaulted positions (e.g., time needed for hedging and auction)	Auction practices
Bid outlier ratio by product classes	Potential improvements identified under the current regulatory framework (e.g., porting or information sharing across jurisdictions)
System connectivity rate (and successful connection to auction platform, if applicable)	