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Press Release

CCP12 responds to the Incentives to Clear Consultation by the FSB, BCBS, CPMI and IOSCO

Shanghai, Sep 10, 2018 - CCP12 responded to the consultative document, *Incentives to centrally clear over-the-counter derivatives*, published by the Financial Stability Board (FSB); the Basel Committee on Banking Supervision (BCBS); the Committee on Payments and Market Infrastructure (CPMI); and the International Organization of Securities Commissions (IOSCO) (together the 'agencies'). [The consultative report](#) is focused on a post-implementation evaluation of the G20 financial regulatory reforms on the incentives to centrally clear OTC derivatives.

CCP12 commends the agencies for performing this comprehensive analysis to assess how the numerous G20 regulatory reforms have impacted incentives to clear for market participants. We broadly agree and support that the reforms have created positive incentives to clear across the numerous standard setting bodies. The analysis within this report illustrates that while the G20 reforms have been successful in many aspects, there are several important enhancements that are required to fully achieve the G20 objectives. In our response we have provided our reaction to very insightful analysis including further perspective on behalf of central counterparties.

CCP12 would like to specifically highlight the following primary themes of our response to the report:

1. Urgent need to re-calibrate the leverage ratio to recognize the central clearing market structure
2. Establish an action plan to detail next steps being considered by the agencies on important challenges related to incentives to clear that have been raised within the consultative document
3. Importance to continue this periodic analysis as other financial market reforms which impact incentives to clear continue adoption and begin to mature

CCP12 Chairman **Xu Zhen** (Shanghai Clearinghouse) said *"This report is one of the most comprehensive and informative analysis on incentives to centrally clear that highlights many benefits as well as challenges that remain from the perspective of each key clearing stakeholders."*

"The analysis within the report is incredibly insightful and will help inform forthcoming regulatory initiatives to further align to the objectives set out by the G20" added Co-chair of the CCP12 Policy Working Committee **Ryan Ingram** (Group Regulatory Analytics, Risk Policy & FMI Strategy at HKEX).

CCP12 looks forward to reading the final report and further discussion with the agencies on how to best address some of the challenges that have been raised within the consultative document.

To read CCP12's response to the consultative document [click here](#).

About CCP12

CCP12 is a global association of 36 members who operate more than 50 individual central counterparties (CCPs) globally across the Americas, EMEA and the Asia-Pacific 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 and seeks to actively engage with regulatory agencies and industry constituents through consultation responses, forum discussions and position papers. To learn more about CCP12, please visit www.ccp12.org.