

PRESS RELEASE
CCP12 PUBLISHES

CCP BEST PRACTICES

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A CCP12 POSITION PAPER



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PRESS RELEASE

New CCP12 Position Paper Elaborates on Best Practices To Further Bolster the Resilience of Central Counterparties and Global Financial Markets

The critically important role of central counterparties (CCPs) in the global financial marketplace has been subject to heightened focus since the G20 mandate to centrally clear standardized over-the-counter derivatives. This clearing mandate and other post-crisis regulatory reforms, was driven by the robust performance of CCPs during the 2008 global financial crisis. The stability of cleared derivatives markets during this time of unprecedented stress is unsurprising in light of the long history and best practices of the clearing for exchange-traded derivatives.

Recognizing this important role in the marketplace, CCP12, the Global Association of Central Counterparties, has produced a new position paper this “CCP Best Practices”, to elaborate on key practices surrounding CCPs’ operations and risk management. The position paper points out that policy makers must continue to support the use of global CCP clearing services due to the systemic risk benefits inherent to central clearing, and should everything in their power to avoid taking steps that could undermine the benefits that market users received from central clearing organizations. In this new position paper, CCP12 has coordinated with global CCPs to cover the following risk management topics: Membership Criteria; Monitoring of Financial Risks; Financial Safeguards; Margin Methodology; Stress Testing; Default Management; and Governance.

“With this Position Paper, CCP12 would like to emphasize the important role of CCPs in the financial market and to communicate with the broader industry the current CCP best practices,” said Mr. Kausick Saha, Chief Risk Officer at The Clearing Corporation of India Limited and Clearing and Co-Chair of the Risk Working Committee of CCP12.

“CCP12 elaborates on several core principles within central clearing and best practices that have been developed across the industry since the global financial crisis in 2008,” Mr. Ketan Patel, Deputy Group Risk Officer at Hong Kong Exchanges and Clearing and Co-Chair of the Risk Working Committee of CCP12.

“This new CCP12 Position paper demonstrates yet again the commitment of global CCP’s to mitigate systemic risks and to provide market integrity and transparency for the overall financial industry,” said Dale Michaels, OCC Executive Vice President, Financial Risk Management and Co-Chair of the Risk Working Committee of CCP12.

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

CCP12 is a global association of 34 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.

For further details please email office@ccp12global.com or visit www.ccp12.org.

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