

PRESS RELEASE

CCP12 RESPONDS TO

CPMI-IOSCO

DISCUSSION PAPER ON

CENTRAL COUNTERPARTY

DEFAULT MANAGAMENT

AUCTIONS



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Shanghai, 12 August 2019

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CCP12 Responds to CPMI-IOSCO Discussion Paper on Central Counterparty Default Management Auctions

The Global Association of Central Counterparties (“CCP12”) today published its response to the discussion paper entitled “Central Counterparty Default Management Auctions” issued by the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions (“CPMI-IOSCO”).

CCP12 welcomes the opportunity to respond to this discussion paper, as we believe that the default management process, which is not limited to auctions, is one of the most important processes within a CCPs business. We have therefore also highlighted this topic in our recently published paper “CCP Best Practices – a CCP12 Position Paper”¹. CCP12 responds to the different aspects consulted by CPMI-IOSCO: roles and responsibilities, considerations for a successful auction, operational considerations, client participation and default of a common participant across multiple CCPs.

“Due to cleared product types, market structures and characteristics, regulatory and legal environments in different jurisdictions, operational requirements, and other factors, a “one-size-fits all” auction approach to CCPs is not possible and it is critical to recognize that differences exist. Furthermore, it is also imperative that CCP’s retain flexibility in their default management approach to react to the facts and circumstances at the time of the event,” said Mr. Xu Zhen, Chairman of CCP12.

Mr. Marcus Zickwolff, CEO of CCP12 added: “CCP12 fully supports transparency about the default management process, which will enable auction participants to be prepared to participate during a default and to bring the CCP back to a matched book.”

To read the full CCP12 response click [here](#).

¹ https://ccp12.org/wp-content/uploads/2019/05/CCP-Best-Practices_CCP12_Position_Paper.pdf

CCP12 is a global association of 37 members who operate more than 60 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 of its members and seeks to actively engage 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.

CCP12 MEMBERS

