

CCP12 RESPONDS TO ESMA CONSULTATIONS



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TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
CCP12 RESPONSE TO THE ESMA CONSULTATION PAPER ON TECHNICAL ADVICE ON COMPARABLE COMPLIANCE UNDER ARTICLE 25A OF EMIR	3
CCP12 RESPONSE TO THE ESMA CONSULTATION PAPER ON ESMA FEES FOR THIRD-COUNTRY CCPS UNDER EMIR 2.2	12
CCP12 RESPONSE TO THE ESMA CONSULTATION PAPER ON DRAFT TECHNICAL ADVICE ON CRITERIA FOR TIERING UNDER ARTICLE 25A(2A) OF EMIR 2.2	23
ABOUT CCP12.....	32
CCP12 MEMBERS.....	32

CCP12 RESPONSE TO THE ESMA CONSULTATION PAPER ON TECHNICAL ADVICE ON COMPARABLE COMPLIANCE UNDER ARTICLE 25A OF EMIR

Introduction

CCP12 welcomes the opportunity to comment on ESMA's Consultation Paper on Technical Advice on Comparable Compliance under article 25a of EMIR ("the Consultation Paper"). CCP12 believes that embracing an approach of mutual regulatory deference is of the utmost importance in adopting an approach of comparable compliance. CCP12 believes such an approach is consistent with EMIR 2.2.

CCP12 would also like to make a comment regarding an issue that has not been raised in any of the proposed questions in the Consultation Paper. In the event that there may be a change in the comparable compliance regime (e.g., withdrawal of such finding, changes to the rules/assessment framework, revising assessment, and/or other material modifications) it is highly recommended that ESMA put in place a notice and comment period before enacting such changes due to the potential material impact upon third-country central counterparties ("TC-CCPs") and, if enacted, provide reasonably sufficient time period for TC-CCPs to adjust.

Question 1:

Do you agree on the overall approach proposed for ESMA's assessment for comparable compliance? What other considerations should be reflected in the assessment for comparable compliance?

CCP12 Response:

While CCP12 agrees that the appropriate approach to an assessment for comparable compliance is one that is completed on an outcomes-basis; CCP12 does not believe the approach defined under the Consultation Paper achieves this. The Consultation Paper requires direct compliance with the majority of such requirements by requiring such CCP to adopt an EMIR floor for its practices, which is inconsistent with the legislative text of EMIR 2.2 that allows a TC-CCP that has been designated systemically important to the EU to satisfy the requirements to comply with Article 16 and Titles IV and V of EMIR through its compliance with applicable local legal and regulatory requirements. The proposed approach

under the Consultative Paper effectively rewrites the legislative text of EMIR 2.2 by not providing a fulsome framework where comparable compliance can be determined because a TC-CCP designated systemically important to the EU is required to comply with the majority of EMIR. The legislative text of EMIR 2.2 requires that the European Commission (“EC”) adopts a delegated act that specifies “the minimum elements to be assessed for the purposes” of determining comparable compliance, but the Consultation Paper instead identifies minimum provisions of EMIR where comparable compliance cannot be found.

The proposed approach to comparable compliance under the Consultation Paper not only deviates from the legislative text of EMIR 2.2, but it also is inconsistent with the G20 commitments to adopting an approach of mutual regulatory deference with respect to the cross-border oversight of global derivatives markets. Following the financial crisis, the G20 committed “to take action at the national and international level to raise standards together so that our national authorities implement global standards consistently in a way that ensures a level playing field and avoids fragmentation of markets, protectionism, and regulatory arbitrage” (Group of 20, Leaders’ Statement, Pittsburgh Summit, pg. 7 (Sept. 2009), available at https://www.fsb.org/wp-content/uploads/g20_leaders_declaration_pittsburgh_2009.pdf).

Demonstrating the importance of this matter, the G20 continues to make commitments to regulatory and supervisory cooperation (See Group of 20, Leaders’ Declaration, Buenos Aires, pg. 5 (Nov. 2018), available at http://www.g20.utoronto.ca/2018/buenos_aires_leaders_declaration.pdf; Group of 20, Leaders’ Declaration, Saint Petersburg Summit, pg. 17 (Sept. 2013), available at https://www.fsb.org/wp-content/uploads/g20_leaders_declaration_saint_petersburg_2013.pdf).

Approaches to regulatory deference rightfully allow local policy-makers to adopt legal and regulatory requirements that are appropriate for the markets they oversee. This was recognized in the adoption of the Committee on Payments and Market Infrastructures (“CPMI”) and International Organization of Securities Commissions’ (“IOSCO”) Principles for financial market infrastructures (“PFMIs”), which set out globally agreed upon standards for CCP risk management (Committee on Payment and Settlement Systems (later renamed the Committee on Payments and Market Infrastructures) and Technical Committee of the International Organization of Securities Commissions, Principles for Financial Market Infrastructures [hereafter, “PFMI”] (Apr. 2012)). Policy-makers must maintain the authority to adopt the appropriately tailored legal and regulatory requirements for the markets they regulate and supervise.

By not standing by the G20 commitments, ESMA's proposals run the risk of fostering market fragmentation, which is also inconsistent with the objective of the current Japanese G20 Presidency to address market fragmentation (See Randal K. Quarles, Chairman Financial Stability Board, Letter to G20 Leaders, pgs. 3-4 (June 24, 2019), available at <https://www.fsb.org/wp-content/uploads/R250619-1.pdf>). As a proponent of robust and healthy markets, CCP12 is concerned about any legislation that could lead to market fragmentation, which can have the unfortunate effect of wider bid-ask spreads and weakened price discovery. These outcomes are concerning as they can challenge a CCP's ability to effectively and efficiently manage a future market stress event. Ultimately, the Consultation Paper's proposed imposition of EU laws and regulations on a TC-CCP designated systemically important to the EU could weaken the stability of the global financial system.

Notwithstanding the inappropriateness of the requirement under the Consultation Paper that a TC-CCP designated systemically important to the EU must comply with the majority of EMIR, the Consultation Paper fails to recognize that prior to a TC-CCP being recognized under EMIR that the EC must adopt an implementing act determining that the legal and supervisory arrangements under which such CCP complies are equivalent to the requirements under EMIR (i.e., "equivalence decision"). As such, the comparable compliance framework proposed under the Consultation Paper would effectively withdraw the equivalence decision reached by the EC and replace it with the determination of comparability because regardless of the equivalence decision, a TC-CCP designated systemically important to the EU would have to comply with the majority of EMIR. In line with the legislative text of EMIR 2.2 that "the provisions of the implementing act adopted in accordance with Article 25(6)" (i.e., equivalence decision) be taken into account, the minimum elements to be assessed for comparable compliance should be limited to the areas where the EC adopted conditions for determining equivalence, given that the EC has already found other areas equivalent (i.e., comparable).

It would not only be duplicative for an assessment of comparable compliance to extend beyond areas where conditions have been adopted under an equivalence decision, but it would also be ESMA acting in a capacity where they would be superseding the decision of the EC. While the Consultation Paper highlights that the assessment for an equivalence decision occurs at a jurisdiction-level and an assessment for comparable compliance occurs at a CCP-level, these assessments are one in the same, which could lead to ESMA's assessment superseding the EC. The duplicative nature of ESMA's comparable compliance assessment and the basis for it superseding the EC's equivalence decision may cause legal and regulatory uncertainty and challenges. The practices a CCP employs must comply with

local legal and regulatory requirements that are unquestionably clear, so to assess a TC-CCP's practices on a requirement-by-requirement basis is unnecessary as such assessment has effectively already been completed by the European Commission in conjunction with the CCP's ongoing registration with its local primary regulator.

To conclude, a holistic approach to comparable compliance appears preferable, in order to avoid duplicative requirements and unnecessary tensions across supervisory authorities, whilst ensuring high levels of information sharing. As per the tiering consultation, we note that EMIR 2.2 outlines other tiers for TC-CCPs which provide for appropriate supervisory approaches in the case of substantially systematic markets.

Question 2:

Do you agree that ESMA should accept a requirement in a third country as comparable to a corresponding requirement under EMIR where it is assessed to be, on an outcome basis, equal or at least as strict or conservative as, the corresponding requirement under EMIR?

CCP12 Response:

CCP12's understanding is that the assessment for comparable compliance is conducted under on a requirement-by-requirement basis instead of an outcomes-basis, and that in many cases following the assessment, a TC-CCP may still be subject to adopting an EMIR requirement as a floor to its practices. In particular, the Consultation Paper defines minimum requirements of EMIR (hereafter, "core provisions") whereby a TC-CCP must comply with requirements that are equal or at least as strict or conservative as the core provisions and if this is not the case, a TC-CCP designated systemically important to the EU must adopt the core provision as a floor.

Setting aside CCP12's recommendation that the assessment for comparable compliance should focus solely on any areas where conditions have been identified under an equivalence decision, an assessment that is conducted on a requirement-by-requirements does not provide a mechanism where requirements can be assessed on an outcomes-basis. This is because the manner in which requirements work cohesively to set out a CCP's practices cannot be accounted when they have to be evaluated on a standalone basis. CCP's do not manage specific risks in a silo, so it is illogical and inconsistent with best

practices in CCP risk management, which are to manage risks holistically, to conduct a comparable compliance assessment on a requirement-by-requirement basis. CCP12 recommends that ESMA ensure that the EC's delegated act implementing an approach to comparable compliance is completed on an outcomes-basis and in turn, allow for requirements to be looked at holistically.

Additionally, in taking an outcomes-based approach to comparable compliance, it is important to recognize the expertise local regulatory authorities have to offer in setting requirements appropriately for the CCPs and the broader markets that they oversee. As such, an assessment for comparable compliance should recognize that even where it is completed on an outcomes-basis, requirements may not be equal or at least as strict or conservative between two distinct regulatory regimes. Even where given requirements are not equal or at least as strict or conservative as those under EMIR, this does not imply that such requirements are ineffective, fail to accomplish the outcome sought under EMIR, or deviate from internationally agreed upon standards (i.e., PFMI). In line with the PFMI, policy-makers appropriately tailor their respective legal and regulatory frameworks to their jurisdiction for the markets they oversee and the institutions that support them.

Conversely, we would also add that ensuring compliance with financial regulation is only one limited aspect of the role of a supervisor which monitors and supervises the daily activities of a CCP and is able to require more granular actions from the CCP beyond EMIR. In spite of the extra-territorial nature of some powers enshrined in EMIR, there are limits to the ability of ESMA to ensure that these decisions are effectively enforced, as the CCP would not be in ESMA's jurisdiction (and that of the European Court of Justice). Therefore, a line-by-line compliance with EMIR would have limited effect on the expected orderly operations of the CCP and financial stability. Instead, we note that EMIR 2.2 outlines other tiers for TC-CCPs which provide for appropriate supervisory approaches in the case of substantially systematic markets.

Question 3:

Do you agree that the minimum elements to be specified in the Commission's delegated act should include the core provisions listed in Table 1? What other considerations should be included as minimum elements of the assessment?

CCP12 Response:

No, CCP12 does not agree that the minimum elements to be specified in the EC's delegated act should include the core provisions listed in Table 1. For the reasons outlined in CCP12's responses to Q1 and Q2, an assessment of comparable compliance should be limited to any areas where conditions were identified in a given equivalence decision for a jurisdiction. Further, even where those areas are assessed, they should not be identified as "core provisions" (i.e., require that requirements are equal or at least as strict or conservative as those under EMIR) because as noted above, core provisions do not in fact allow for comparable compliance since an EMIR floor must be adopted by a TC-CCP designated systemically important to the EU.

Question 4:

Do you agree that, where a third country requirement can be on average, but not always, equal or at least as strict or conservative as the core provisions listed in Table 1, it can still be accepted as comparable provided that the Tier 2 CCP adopts the corresponding EMIR requirement as a floor or minimum requirement, through adequate rules, policies and procedures?

CCP12 Response:

While CCP12 does not agree with the approach of adopting a comparable compliance framework that designates certain requirements under EMIR as core provisions and that such requirements must be assessed on a requirement-by-requirement basis, to the extent that the European Commission does adopt a delegated act that implements such framework, CCP12 believes that where a non-EU jurisdiction's requirement is on average, but not always, equal or at least as strict or conservative it should be accepted as comparable full stop, without having to adopt the corresponding EMIR requirement as a floor. (In line with CCP12's response to Q1, the application of this approach should still be under a framework for assessing comparable compliance that is limited to the areas where the European Commission adopted conditions for determining equivalence.).

In line with CCP12's response to Q1, designating certain EMIR requirements as core provisions does not actually put in place a comparable compliance framework, but instead just defines requirements where a TC-CCP that is designated systemically important to the EU must comply with EMIR. The imposition of an EMIR floor for the core provisions puts in place a framework where EU policy-makers are setting legal and regulatory requirements for jurisdictions in which they do not necessarily have any local expertise, which undermines the primary regulatory authority of local regulators. Not only does this diverge from the commitments of the G20, as referenced above, and the legislative text of EMIR 2.2, but it also results in a TC-CCP that is designated systemically important to the EU having to adopt practices that could be inappropriate for the markets it clears. Requiring these practices be adopted is a threat to the stability of the financial system, as a limitation on the ability of CCP to adopt practices that are tailored to their markets may undermine its ability to manage the next market stress event. In conjunction with their local primary regulators, CCPs must have the right, without obstruction, to adopt risk management practices appropriate for their markets and having a TC-CCP that is designated systemically important to the EU adopt an EMIR floor for its practices undermines this.

Question 5:

Do you agree that, when a third country requirement is similar but not always equal or at least as strict or conservative as, the provisions not included in the minimum elements and listed in Table 2, it can still be considered to be comparable where it substantially achieves the respective regulatory objectives in accordance with the guidance specified in Table 2?

CCP12 Response:

For the same reasons outlined in CCP12's response to Q4, CCP12 does not agree with the approach of adopting a comparable compliance framework that relies on an assessment that is done on a requirement-by-requirement basis. However, to the extent this approach is taken, a TC-CCP's requirement that is similar, but not always, equal or at least as strict or conservative, should be accepted as comparable (In line with CCP12's response to Q1, the application of this approach should still be under a framework for assessing comparable compliance that is limited to the areas where the European Commission adopted conditions for determining equivalence.).

Question 6:

Do you agree on the modalities and conditions proposed for conducting the assessment for comparable compliance? What other considerations should be included in such modalities and conditions?

CCP12 Response:

CCP12 does not agree with the modalities and conditions proposed for conducting such assessment, please see other answers for more details.

Question 7:

Do you agree that the CCP reasoned request shall include (i) the mapping of the requirements under EMIR for which comparable compliance is requested against the requirements in the third country, whereby each relevant article of EMIR and related RTS (paragraph by paragraph) should be mapped with the corresponding requirement in the third country achieving the same regulatory objective, and (ii) per each mapped requirement, the reason why compliance with a requirement in the third country satisfies the corresponding requirement under EMIR?

CCP12 Response:

CCP12 does not agree that a TC-CCP that has been designated systemically important to the EU should include in its request for comparable compliance: i) the mapping of the requirements under EMIR for which comparable compliance is requested against its requirements, whereby each relevant article of EMIR and related RTS (paragraph-by-paragraph) is mapped with its corresponding requirement achieving the same regulatory objective; or ii) per each mapped requirement, the reason why compliance with its relevant requirement satisfies the corresponding requirement under EMIR.

Mapping requirements on a paragraph-by-paragraph basis, even more granular than requirement-by-requirement, does not allow ESMA to adopt an approach to comparable compliance that is done on an outcomes-basis. The format of the request for comparable compliance should allow for requirements to be assessed holistically. As such, CCP12 recommends that format for a comparable compliance request instead be broken down by categories of regulatory objectives under EMIR. This would support an outcomes-basis for comparable compliance that still provides for a factual basis of comparability in line with the legislative text of EMIR 2.2.

Question 8:

Do you agree that ESMA may also request the CCP to include in its reasoned request (i) an opinion of the third country supervisory authority on the accuracy of the representation of the requirements applying in the third country, (ii) where necessary, a certified translation of relevant requirements in the third country, and (iii) a legal opinion confirming the accuracy of the mapping provided?

CCP12 Response:

CCP12 does not agree that ESMA should be able to request that a TC-CCP that has been designated systemically important to the EU include in its request for comparable compliance an opinion of its supervisory authority on the accuracy of the representation of the requirements applying in its jurisdiction. Providing such an opinion is duplicative with the work done by the EC to adopt an equivalence decision for a jurisdiction. As noted above, the criteria for adopting an equivalence decision is that the legal and supervisory arrangements under which the relevant CCP complies are equivalent to the requirements under EMIR and that such CCP is subject to effective supervision and enforcement in its home country on an ongoing basis.

Question 9:

Do you agree on the cost benefit analysis annexed to the draft technical advice? Are there other considerations to be reflected in the cost benefit analysis?

CCP12 Response:

N/A

CCP12 RESPONSE TO THE ESMA CONSULTATION PAPER ON ESMA FEES FOR THIRD-COUNTRY CCPS UNDER EMIR 2.2

Introduction

CCP12 welcomes the opportunity to comment on ESMA's consultation paper on ESMA fees for third-country CCPs under EMIR 2.2 ("the Consultation Paper"). As a general matter, CCP12 is concerned with the overall structure of the fee proposal under the Consultation Paper whereby third-country central counterparties ("TC-CCPs") are responsible for funding the expansion of ESMA's regulatory oversight. CCP12 finds TC-CCPs' funding ESMA's expansion particularly concerning in light of the proposals outlined in the ESMA consultation paper on Draft technical advice on criteria for tiering under Article 25(2a) of EMIR2.2, since the proposal could result in a TC-CCP with limited nexus to the EU being designated systemically important. Where this occurs, TC-CCPs that in reality have limited nexus to the EU would be responsible for funding a portion of a pan-European supervisory agency. In summary, CCP12 does not agree with concept of putting the costs on TC-CCPs to expand the EU's regulatory oversight. However, CCP12 has answered the questions to address a circumstance where ESMA will nonetheless apply fees to TC-CCPs.

Furthermore, CCP12 finds that the level of any proposed fees is quite high, and these may act as a substantial barrier for TC-CCPs to provide their clearing services to EU clearing members, or to local subsidiaries of EU banking groups. Additional thought and consideration should be put into ESMA managing costs, as CCP12 believes there will be fewer CCPs requiring tiering than is expected. The nature of those entities electing to be tiered will be serious and they will dedicate the proper resources so the process can be completed quickly and efficiently. Consequently, ESMA should focus on simplifying the process whilst at the same time heightening transparency.

CCP12 also takes the position and implores that fees should be proportionate and reflect the role of the host supervisor. Proportion should be calculated not only on the potential supervisory role conducted by ESMA, which should be limited when it pertains to TC-CCPs, but also relative to other jurisdictions that charge fees, if any, for recognition as a TC-CCP. It would seem necessary for ESMA to at least conduct a comparative study in this regard and disclose the results. Lastly, reflecting the role of the host supervisor should provide deference to the home regulator thus reducing the cost put upon ESMA and thereby

lowering fees as a TC-CCP is already regulated and need not another full-time and primary regulator relationship. In this regard and before this consultation becomes effective in some form, ESMA should consider where they could strengthen arrangements for such host-home supervisor relationship and thereby lessen costs/fees.

Question 1:

Do you agree with the proposed one-off fees for initial recognition for Tier 2 TC-TC CCPs? Please elaborate on the reasons for your answer.

CCP12 Response:

To the extent that one-off fees for initial recognition are charged, it is of the utmost importance that the determination of systemic importance for a TC-CCP is clearly with reference to the stability of the EU and/or one of its Member States and that the determination does not purport extraterritorially to influence, impact, or otherwise have unforeseen consequences on the determination of systemic importance in a TC-CCP's home jurisdiction. However, we would like to point out that the current higher fee structure for Tier 2 CCPs may act as an incentive for ESMA to categorize more TC-CCPs as Tier 2 rather than Tier 1. Furthermore, although fees may be enacted, the amount of fees seem to be high considering the administrative measures needed to be undertaken. We hope that such fees, and the fees proposed in the Consultation Paper, can be reconsidered and reevaluated in order to be lowered to be more economically viable.

Additionally, the Consultation Paper notes that the one-off initial recognition fee amount for both Tier 1 and Tier 2 CCPs are driven by the same items – e.g., updating a MoU, tiering, etc. Therefore, the costs associated with the initial recognition of Tier 2 CCPs should be no different from those associated with Tier 1 CCPs. ESMA's proposed fee for initial recognition should be amended to reflect that this fee is the same for all TC-CCPs, regardless of their being determined to be Tier 1 or Tier 2 CCPs. Where the current fee structure for the one-off initial recognition fee persists, ESMA is implying that a different level of assessment for determining that a TC-CCP is systemically important to the EU is done for prospective Tier 1 and Tier 2 CCPs. However, the assessment should be the same, as should be the related fees.

Question 2:

Do you agree with the proposed one-off fees for initial recognition for Tier 1 TC-TC CCPs? Please elaborate on the reasons for your answer.

CCP12 Response:

Due to the large liquidity pool that is often associated with EU clearing members (i.e. EU entities that face the CCP directly), it is often necessary for smaller CCPs to be recognized as TC-CCPs in order to establish viable clearing markets, albeit for a limited number of EU clearing members, and in order to secure qualifying central counterparty (“QCCP”) status for the reduced capital charge for local subsidiaries of EU banking groups. For many of these smaller CCPs, the proposed fee level for a Tier 1 CCP may act as a substantial barrier for them to provide their clearing services to EU clearing members, or to local subsidiaries of EU banking groups. The context of these explicit fees should be considered in addition to the hidden costs required for their preparation of the documentation required for the TC-CCP application to ESMA.

The current proposed level of fees for initial recognition may not be viable for smaller TC-CCPs, reducing the scope of markets that would be accessible by EU clearing members. To continue to facilitate access to smaller markets by EU clearing members, ESMA should consider establishing specific quantitative criteria for the assessment of the relative importance of each TC-CCP, such as the clearing volume denominated in EU currency derivatives, or the clearing volume by EU clearing members, below which ESMA would not charge, or would significantly reduce, the one-off fees for the initial recognition of a TC-CCP. In addition, to the extent that one-off initial recognition fees apply at all, ESMA should confirm that one-off fees for the initial recognition of Tier 1 TC-CCPs would not be payable by any existing recognized TC-CCP, or by those CCPs which have TC-CCP applications pending approval by ESMA.

Question 3:

Do you agree with the payment by a Tier 1 TC-CCP that becomes Tier 2 TC-CCP of the difference between the two fees? Please elaborate on the reasons for your answer.

CCP12 Response:

CCP12 notes that generally the high level of fees proposed to be applied should be reconsidered. Also, CCP12 does not agree with the difference in one-off initial recognition fees for Tier 1 and Tier 2 CCPs, as explained in its response to Q1. To the extent fees are applied on an ongoing basis to Tier 1 and Tier 2 TC-CCPs, they should be appropriately justified – e.g., due to increased regulatory and oversight costs.

Question 4:

Do you agree with the approach for determining the fees in 2019 for recognised or applicant TC-CCPs? Please elaborate on the reasons for your response.

CCP12 Response:

To the extent that annual fees apply, they should apply when the Delegated Act (“DA”) on tiering, comparable compliance, and fees are all adopted by the European Commission (“EC”).

Question 5:

Do you agree with the approach for determining the fees in 2020 and until end of transition period for recognised or applicant TC-CCPs? Please elaborate on the reasons for your response.

CCP12 Response:

To the extent that annual fees apply, they should apply when the DA on tiering, comparable compliance, and fees are all adopted by the EC.

Question 6:

Do you prefer Option A or Option B as an approach towards establishment of fees and discounts for comparable compliance? Please elaborate on the reasons for your response.

CCP12 Response:

Generally, it is important for ESMA to be conscious of cost associated with TC-CCPs in order to lower all proposed fees where possible. To the extent that annual fees are applied, CCP12 supports the proposal that such fees could be lowered based on a TC-CCPs comparable compliance. Where fulsome comparable compliance is found for a Tier 2 CCP then ESMA's role significantly diminishes and this should be recognized and therefore, annual fees, if applied, should be nearly, if not, the same for Tier 1 and Tier 2 CCPs, since in this case, ESMA will be relying on the Tier 2 CCPs compliance with its local legal and regulatory requirements.

Where this approach is not adopted, CCP12 believes that Option B, where two levels of discounts based on the level of comparable compliance which is achieved, provides the more appropriate incentives through recognizing the reduce role of ESMA and the increased supervisory cost savings to CCPs. We note that higher levels of comparable compliance would lead to a substantial reduction in ESMA's supervisory work, therefore greater cost discounts under such conditions could be considered, which Option B achieves more so than Option A.

Question 7:

Do you agree with the proposed approach to calculate first-year fees for TC-CCPs under EMIR 2.2? Please elaborate on the reasons for your answer.

CCP12 Response:

CCP12 conditionally agrees to the extent that annual fees apply, the specific trigger, submission, or other event as of or after which ESMA is deemed to be acting in a supervisory role vis-à-vis an applicant TC-CCP should be clear. In addition to the issue of clarity, query whether the "210 working days" is the appropriate measure, given that TC-CCPs may originate in jurisdictions where the number of working days is materially higher.

Question 8:

Do you agree with the proposed approach for the calculation of annual fees? Please elaborate on the reasons for your response.

CCP12 Response:

Considering that the EU has chosen to impose a newly detailed regulatory environment on TC-CCPs it is important to realize that this should be done in the most economically sensitive manner. The current level of fees proposed is quite high and creates unnecessary barriers of entry for a marketplace that should encourage competition and innovation. To the extent that annual fees apply, there should be a detailed enumeration of how this fee was aggregated and a breakdown of its components. In short, there should be reasonable justification through transparent audit of the fees charged. We hope that this process could encourage cost sensitivity and an overall reduction in the current proposed fees.

Additionally, regarding the structure of the annual fees for Tier 1 and Tier 2 CCPs, CCP12 believes this structure creates inappropriate incentives. The Consultation Paper outlines that the flat annual fees assessed to Tier 1 CCPs, along with one-off initial recognition fees, first-year fees, and withdrawal fees, will be subtracted from ESMA's annual budget to determine the fees applied to Tier 2 CCPs. Under this structure, Tier 2 CCPs will be responsible for covering the funding gap that exists between ESMA's proposed budget, in this case between 8 and 9 million Euros, and the fee amount collected from Tier 1 CCPs. Given the number of currently recognized TC-CCPs and size of ESMA's proposed budget, ESMA would have to designate some TC-CCPs as Tier 2 CCPs to fully fund its budget. Therefore, the proposed fee structure creates a perverse incentive whereby ESMA must designate certain TC-CCPs as Tier 2 CCPs, not based on their systemic importance to the EU, but in order to maintain sufficient funding on an ongoing basis.

Question 9:

Do you agree with the proposed amount of annual fees for Tier 1 TC-CCPs recognised under EMIR 2.2? Please elaborate on the reasons for your answer.

CCP12 Response:

For similar reasons as outlined in CCP12's response to Q2, to continue to facilitate access to smaller markets by EU clearing members and local subsidiaries of EU banking groups, ESMA should consider establishing specific criteria for the assessment of the relative importance of each TC-CCP, below which ESMA will not charge, or would significantly reduce, the annual fees for TC-CCPs. The current proposed level of annual fees may not be viable for smaller TC-CCPs, reducing the scope of markets that would be accessible by EU clearing members and local subsidiaries of EU banking groups.

Question 10:

Do you agree in setting an equal flat fee for Tier 2 TC-CCPs instead of using the turnover represented by revenues generated by the Tier 2 TC-CCP for the purpose of calculating the Tier 2 TC-CCP fees? Please elaborate on the reasons for your response.

CCP12 Response:

To the extent that annual fees are applied, CCP12 agrees with the use of an equal flat fee for Tier 2 CCPs, and does not believe that the use of a Tier 2 CCP's revenues is an appropriate alternative for the determination of supervisory fees. Linking a TC-CCP's systemic importance to revenues would seem arbitrary and implies that ESMA would need to more closely supervise TC-CCPs that are more profitable, which is counterintuitive. It is unclear how CCP revenue would directly lead to increased regulatory and supervisory activities by ESMA, since the complexity and size of the markets that a CCP clears are not necessarily reflected in its annual revenue.

Furthermore, such an approach with regards to supervisory fees could disincentivise TC-CCPs from improving their product range and risk management practices if they consider that those enhancements come at an additional arbitrary cost.

It is important to note that ESMA's TC-CCP supervisory fees remain (i) proportionate and (ii) reflect the role of 'host' supervisor. CCP12 believes that ESMA's fees should remain (i) considerably less than the ones levied by the "home" regulator who is the principal supervisory authority of that TC-CCP and (ii) in line with other 'host' supervisors of the said CCP.

Question 11:

In case of considering use of revenues as more appropriate alternative, please detail whether you agree with the inclusion of (i) all revenues generated by the CCP, irrespective whether from clearing, treasury or membership linked to EU, such as those generated with regards to EU venues, EU counterparties, including their non-EU branches and non-EU subsidiaries, financial instruments, contracts and transactions cleared by the CCP where at least one of the currencies is ESCB currency or (ii) all revenues generated by the Tier 2 TC-CCP should be taken into account? Please elaborate on the reasons for your response.

CCP12 Response:

As noted above in CCP12's response to Q10, CCP12 does not believe that a fee based on the revenue of a Tier 2 TC-CCP is appropriate for the reasons outlined in that answer.

Question 12:

Do you agree with the proposed fees for withdrawal of recognition of the TC-CCP? Please elaborate on the reasons for your response.

CCP12 Response:

CCP12 disagrees with the proposed fees for withdrawal of recognition of the TC-CCP. From the explanation in the Consultation Paper, it is difficult to understand the justification for applying a withdrawal fee, or to envisage any significant workload for ESMA that would justify the charging of fees for the processing of a withdrawal request.

Question 13:

Do you agree with the proposal for the payment conditions of the applicable initial recognition fee under EMIR 2.2.? Please elaborate on the reasons for your answer.

CCP12 Response:

To the extent that an initial recognition fee applies, CCP 12 believes that the initial recognition fee should be paid upon approval of the TC-CCP's application.

Question 14:

Do you agree with the proposal for the payment conditions of the additional fee for comparable compliance? Please elaborate on the reasons for your answer.

CCP12 Response:

To the extent that an additional fee for comparable compliance applies, we believe that similarly to the one-off initial recognition fee, the comparable compliance fee should be due upon successful completion of the application. Given the amount of resources a CCP must dedicate to put together both recognition and comparable compliance application files, we believe that any fees should only be due when/if the application is approved by ESMA. On the contrary, ESMA's approach would result in significant additional costs to be borne by a TC-CCP which ultimately may not benefit from comparable compliance in the future.

Without prejudice to the foregoing, ESMA may wish to consider payment conditions that incorporate processing milestones, including, for example only, submission of particular documents, the return of ESMA questions or requests for clarification, et cetera.

Question 15:

Do you agree with the proposal to not reimburse TC-CCPs in case they decide to withdraw their application for recognition before recognition is granted? Please elaborate on the reasons for your response.

CCP12 Response:

CCP12 believes ESMA overestimates the number and complexity of applications for TC-CCPs and does not understand the basis of ESMA's reasoning. In reality, this process will mostly consist of TC-CCPs that are dedicated and serious in nature without any incentive to withdraw. Furthermore and beyond the large market players, by virtue of function, countries have a handful of CCPs at most. Therefore, and as stated in other responses, to incentivize market participation and encourage the application process we suggest to the extent that fees are applied they are charged at the end of the recognition process. However, if it is decided to undertake fee collection at the outset, such fees (or a pro rata portion of such fees) should be reimbursed to the applicant, which has withdrawn its application. Lastly, it is concerning that ESMA raises such issue as this implies the process may warrant withdrawal due to the non-transparent and overly complex nature of the process. We hope that this implication is unwarranted and careful consideration can be made into simplifying the process and timeline so that withdrawal would likely never be a factor.

Question 16:

Do you agree with the proposal that TC-CCPs pay their annual fees by 31 December of the year preceding the one for which the fees are due? Please elaborate on the reasons for your response.

CCP12 Response:

To the extent that annual fees apply, they should not be amendable, or amended, during the course of a calendar year; amendments to fees made during a calendar year should only be effective as of the following calendar year.

Question 17:

Do you agree with the proposal that TC-CCPs pay the relevant withdrawal fee at the time of initiation of the process for the adoption of ESMA's decision on withdrawal? Please elaborate on the reasons for your response.

CCP12 Response:

CCP12 disagrees with the proposal that TC-CCPs pay withdrawal fees. There is no apparent justification for the adoption of a withdrawal fee. Please see CCP12's response to Q12.

Question 18:

Do you agree with the proposal for the timing of payment of the 2019 and 2020 fees? Please elaborate on the reasons for your response.

CCP12 Response:

CCP12 disagrees with the proposal for the timing of payment for the 2019 and 2020 fees. By way of background, many CCP12 members are themselves precluded from assessing fees retrospectively. It stands to reason, therefore, that a TC-CCP's regulator should not systematically engage in a process – retroactive assessment of fees – that is explicitly prohibited for those entities which it supervises. In the scenario contemplated, and pursuant to the proposed fee levels, the assessment of accrued fees for both 2019 and 2020, in arrears, may reasonably be seen to raise the prospect of material negative impact on the financial statements of TC-CCPs.

CCP12 RESPONSE TO THE ESMA CONSULTATION PAPER ON DRAFT TECHNICAL ADVICE ON CRITERIA FOR TIERING UNDER ARTICLE 25A(2A) OF EMIR 2.2

Introduction

CCP12 welcomes the opportunity to comment on ESMA's Consultation Paper on draft technical advice on criteria for tiering under Article 25(2a) of EMIR 2.2 ("the Consultation Paper"). The approach undertaken in EMIR 2.2 is a progressive and risk-based approach, which enables EU policy makers and regulators to appropriately evaluate and distinguish between third-country central counter parties ("TC-CCPs"), rather than apply a one-size-fits-all treatment. It allows EU policy makers to strike the right balance allowing EU market participants to access healthy TC-CCPs, supported by well-regulated TC-CCPs and appropriately managing and curtailing systemic risk to the EU accordingly.

We are supportive of the outcomes-based approach that ESMA has intended to follow, however we do not believe this was achieved under the proposals in the Consultation Paper. First, we note that, not all tiers for TC-CCPs envisioned under EMIR 2.2 are addressed in this consultation. Secondly, it is unclear how the collection of a large amount of information as indicated throughout the Consultation Paper will allow ESMA to assess the systemic importance of a TC-CCP to the EU. We believe that some of the indicators chosen are not described in a measurable way and do not provide an indication as to whether each answer would suggest greater or lesser systemic importance.

Further, outside of the large amount of information collected, we are concerned that in many instances the information does not demonstrate a TC-CCP's nexus to the EU, which is the basis of designating a TC-CCP systemically important to the EU or one of its Member States under EMIR 2.2. In particular, pursuant to the Article 25(2a) of EMIR 2.2, the criteria for evaluating a TC-CCP are all under the objective of determining if the TC-CCP is "systemically important for the financial stability of the Union or of one or more of its Member States." As such, we believe it is critical that all related indicators, and underlying considerations, clearly establish a nexus to the EU (or lack thereof) so that importance to the stability of the EU can accordingly be determined.

Additionally, CCP12 is concerned that ESMA could require a large amount of information from each TC-CCP to fully assess the 14 indicators proposed. To reduce the burden on both TC-CCPs, as well as ESMA, CCP12 suggests that ESMA "pre-analyse" the relative importance of each TC-CCP based on a few criteria such as the Indicators 2, 3, and 6. Notwithstanding that we believe in some cases the information collected under the proposed indicators is irrelevant to determining a TC-CCPs systemic importance to the EU, regardless of outcomes of Indicators 2, 3, and 6, to the extent a TC-CCP has been identified based on these indicators as being of greater potential importance to the EU, ESMA could then request the information required for the other indicators from those TC-CCPs. CCP12 is concerned that requesting the full set of information required to assess all 14 indicators will place a high burden on relatively small TC-CCPs that are not systemically important to the financial stability of the Union or of one or more of its Member States.

Question 1:

Do you generally agree with the proposed indicators (Indicators 1, 2, 3, 4 and 5) to further assess the nature, size and complexity of the CCP's business? Please elaborate and if you disagree with any specific indicator, please suggest an alternative one to measure the relevant criterion.

CCP12 Response:

In line with the legislative text of EMIR 2.2, to determine that a TC-CCP is systemically important to the stability of the EU or one of its Member States, CCP12 believes the proposed indicators to assess the nature, size and complexity of the TC-CCP's business should more clearly focus on the nexus of the TC-CCP to the EU and in particular, its potential impact on stability, which is the overarching objective of the tiering criteria under EMIR 2.2. We believe that the indicators proposed in the Consultation Report provide a good foundation for establishing this nexus, however in some cases, the indicators, due to their broad nature, do not establish a clear nexus to the EU, which we do not believe was the intention of ESMA. In particular, the assessment of these indicators relative to a TC-CCP's nature, size and complexity should clearly focus on its impact to the EU. Consequently, we have some detailed comments on each of those indicators listed below, as well as their relative weight in assessing systemic relevance.

With regards to Indicator 1, we do not believe that assessing the ownership and corporate structure of a TC-CCP is appropriate or can give a good indication as to the systemic importance of the TC-CCP to the stability of the EU. CCPs, whether standalone entities and/or part of a broader group, are fully resourced

to cope with any extreme but plausible market conditions under their local legal and regulatory frameworks. The ongoing ability of a CCP to meet its regulatory obligations is independent of its ownership and corporate structure. Therefore, the ownership and corporate structure of a TC-CCP do not have a bearing on its systemic importance to the stability of the EU. In line with this, we believe that Indicator 1 should be removed.

Consistent with CCP12's overarching comment that the indicators, in line with the legislative text of EMIR 2.2, should be used to determine if a TC-CCP is systemically important to the stability of the EU, we agree that Indicator 2 should be primarily focussed on the TC-CCP's clearing for financial instruments denominated in EU currencies, which we believe was the intent of ESMA in the Consultation Paper. Such an approach would capture effectively those instances in which EU and non-EU market participants are using instruments denominated in EU currencies to manage their risks, which, assuming a significant amount of such instruments is cleared by a non-E.U. CCP, could impact the stability of the EU. Further, CCP12 believes that a risk-based measure, such as initial margin required, is more appropriate than volume or notionals to evaluate a TC-CCPs exposures to financial instruments denominated in EU currencies. Since the basis for determining a TC-CCP is systemically important to the EU is a risk-based determination, a risk-based measure such as initial margin required should be used. Notionals and volume are not adequate measures of risk and can be misleading even though they are often easily available and transparent metrics. CCP12 also notes that the legislative text under EMIR 2.2 does not specify the metric by which "value" of financial instruments denominated in EU currencies should be determined and as such, it is not only appropriate to rely upon initial margin required but also permitted pursuant to the legislative text. As such, CCP12 recommends that it be clarified that i) and iii) of Indicator 2 and the underlying considerations are with respect to financial instruments denominated in EU currencies and that the measure for assessing such clearing be based on initial margin required.

Similarly, regarding Indicator 3, the focus of the TC-CCP's clearing for market participants should be on those market participants domiciled in the EU, which we believe was the intent of ESMA in the Consultation Paper. A TC-CCP's clearing for non-EU market participants is immaterial to determining the systemic importance of a TC-CCP to the stability of the EU or one of its Member States. Further, we believe that the proposed metrics used for Indicator 3 to assess value could be misleading. As noted above, using volume and notional based metrics are not adequate measures for evaluating risk. By way of example, as proposed under Indicator 3, notional outstanding on daily volumes would only capture flows rather than actual volume, whereas initial margin required would capture the actual risk of

exposures cleared by the TC-CCP. CCP12 also notes that the legislative text under EMIR 2.2 does not specify the metric by which “exposure” of EU market participants should be determined and as such, it is not only appropriate to rely upon initial margin required but it is also permitted pursuant to the legislative text. As such, CCP12 recommends that Indicator 3 clarify that its evaluation is limited to a TC-CCP’s clearing for EU market participants and that it be based on initial margin required.

For the same reasons outlined relative to Indicators 2 and 3, regarding Indicator 4, in determining whether a TC-CCP is systemically important to the stability of the EU relative to the “transparency and liquidity” of its markets, the focus on its markets should be on those denominated in EU currencies, to the extent it is necessary to evaluate this indicator. Transparency and liquidity of a relevant market are useful indicators to understand the market structure and price formation process but add limited value for assessing the systemic relevance of a market. Consequently, Indicator 4 could be removed.

Finally, regarding Indicator 5 and its use to assess the risk profile of a TC-CCP, we believe that assessing the risk profile of a TC-CCP only becomes relevant to the stability of the EU to the extent it has exposures to EU financial instruments and/or to EU market participants and as such, such exposures should be the trigger for the assessment of this indicator; however, it is notable that these exposures must reach a level of significance to lead to a determination that a TC-CCP is systemically important. We believe the information collected regarding Indicator 5 will be fairly standard and is often included in every application for a licence globally. In line with this, we believe in addition to the information collected in TC-CCP’s application for recognition, the assessment of a TC-CCP’s risk profile should primarily rely on a confirmation of its adherence to the Principles for financial market infrastructures (April 2012) (“PFMIs”) as adopted and applied by its local primary regulator. The PFMIs set out globally agreed upon standards for CCP risk management practices, across a variety of areas, including those referenced in EMIR 2.2, legal, operational and business risk. We believe it is critical that in evaluating the risk profile of a TC-CCP that it recognizes that its risk management practices have been designed in recognition of the financial instruments it clears and the market participants it serves under a regulatory regime that was adopted and is applied by its local regulatory authority. Therefore, a TC-CCP’s adherence to the PFMIs as adopted by its local regulator provide a sufficient and strong basis to evaluate a CCP’s risk profile.

Question 2:

How would you envisage ESMA to consider risks and in particular cyber-risks in relation to the evaluation of systemic importance?

CCP12 Response:

In line with CCP12's comments regarding Indicator 5, an assessment of a TC-CCP's risks and in particular cyber risks should be based on a confirmation of its adherence to the PFMI as adopted and applied by its local primary regulator. Principle 17 of the PFMI sets out globally agreed upon standards for CCP risk management practices, including those related to cyber risks. The assessment of a TC-CCP's systemic importance to the stability of the EU must recognize that its risk management practices have been designed specifically for the financial instruments it clears and the market participants it serves under a regulatory regime that was adopted and is applied by its local regulatory authority.

Additionally, CCP12 notes that any assessment of a TC-CCP's broader risk profile, including cyber-risks, only becomes relevant to the stability of the EU to the extent the TC-CCP has exposures to EU financial instruments and/or EU market participants and as such, such exposures should be the trigger for the assessment of its broader risk profile.

Question 3:

Do you generally agree with the proposed indicators (Indicators 6, 7, 8 and 9) to further assess the effect of a failure or disruption of the CCP? Please elaborate and if you disagree with any specific indicator, please suggest an alternative one to measure the relevant criterion.

CCP12 Response:

While we do not believe this was the intent of ESMA, CCP12 believes the broad nature of Indicators 6, 7, 8, and 9, and the underlying considerations, are inconsistent with the objective of EMIR 2.2 to determine that a TC-CCP is systemically important based on its relevance to the stability of the EU or one of its Member States because, in many cases, they fail to establish a nexus to the EU. In particular, the assessment of these indicators relative to the effect the failure of or a disruption to a TC-CCP could have should clearly focus on its impact to the EU.

With regards to Indicator 6, CCP12 believes the evaluation of a TC-CCP's collateral held (e.g., margins and default fund contributions) should also include an evaluation of the protections for which such collateral is subject, in addition to the amount of such collateral denominated in EU currencies and/or collateral related to EU entities. A TC-CCP collects collateral from its market participants to cover potential future exposures and therefore, such practice is a risk mitigating one, so the more appropriate focus is not on the collateral holdings, but on the protections for which they are subject. In particular, in the event of a TC-CCP's failure or disruption, the potential impact to stability would also be driven by the level of protections the collateral it holds are subject – e.g., collateral being bankruptcy remote. By way of background, we would like to note at this stage that it is not uncommon for some TC-CCPs to hold significant amounts of EU sovereign debt as initial margin, but when evaluating a TC-CCP's systemic importance to the stability of the EU relative to the impacts of its failure, it is also important to consider the manner in which such collateral is protected. Therefore, CCP12 recommends that the robustness of bankruptcy remoteness arrangements for collateral would be an additional metric to assess a TC-CCP's margins, default fund contributions, and eligible collateral under Indicator 6. CCP12 also believes that ESMA's intent was for Indicator 6 to focus on evaluating a TC-CCP's margins, default fund contributions, and eligible collateral denominated in EU currencies (regardless of the domicile of the entity) and/or for EU entities (regardless of the currency denomination of the collateral), since this collateral could potentially impact the stability of the EU or one of its Member States in the event the CCP fails. Unfortunately, CCP12 does not believe this focus is clear, so it respectfully requests that Indicator 6 be revised to clearly reflect this focus alone. CCP12 believes its proposed recommendations for Indicator 6, in conjunction with CCP12's recommendations for Indicators 2 and 3 would provide a fulsome basis for assessing a TC-CCP's systemic importance to the stability of the EU. Subject to CCP12's recommendations, Indicator 6 would capture the protections of the collateral collected for margins that would be reported under CCP12's recommendations for Indicators 2 and 3.

In line with CCP12's overarching comment on the determination of systemic importance being based on the TC-CCP's relevance to the stability of the EU, with regards to Indicator 7, in assessing the effects of its failure or disruption, a clear nexus to the E.U. should exist. Therefore, the assessment of the TC-CCP should primarily focus on its payment obligations to EU entities in EU currencies and the related committed and uncommitted liquidity resources to address such payment obligations. Focusing on such payment obligations and resources captures the direct primary impacts a TC-CCP's failure could have on the stability of the EU or one of its Member States. Specifically, in the unlikely event of a TC-CCP's failure or disruption, assessing payment obligations in EU currencies would capture the potential liquidity needs that would arise in such event for financial instruments denominated in EU currencies. This

coupled with Indicator 7's current proposed focus on liquidity providers domiciled in the EU, regardless of the currency in which they are providing liquidity, captures the primary effects the TC-CCP's failure could potentially have on the stability of the EU or one of its Member States.

In line with CCP12's comments regarding Indicator 5, with regards to Indicator 8 CCP12 believes that ESMA's assessment of settlement and payments, including the use of central bank money for settlement should be based on a confirmation of its adherence to the PFMLs as adopted and applied by its local primary regulator. To the extent this approach is not taken, the settlement and liquidity characteristics of the products cleared should be taken into account when assessing this criteria. Also, the trigger for evaluation of a TC-CCP's settlement and payments should be based on the involvement of EU currencies for EU market participants, as that is the point at which the TC-CCP's settlement and payments practice may be relevant to the stability of the EU in the unlikely event of a TC-CCPs failure; however, its notable that the involvement of EU currencies must reach a level of significance to lead to a determination that a TC-CCP is systemically important.

In line with CCP12's comments with respect to Indicators 5 and 8, regarding Indicator 9 we believe this indicator only becomes relevant to assessing the TC-CCP's relevance to the stability of the EU to the extent it has exposures to EU market participants and thus, such exposures should be the trigger for the assessment of this indicator. In addition, as per Indicator 8, their exposures in EU currencies will be a key component to this indicator. Given the focus of this indicator is ultimately on the effects of a TC-CCPs failure or disruption on the stability of the EU, it's appropriate for the primary trigger for evaluation being the TC-CCP's exposures to EU market participants, since they could be directly subject to the effects of the TC-CCPs failure; however, its notable that these exposure must reach a level of significance to lead to a determination that a TC-CCP is systemically important. Where these exposures exist for a TC-CCP, in determining whether it is systemically important to the stability of EU relative to the effects of its failure or disruption as it relates to its recovery and resolution framework, a confirmation that the TC-CCP adheres to the PFMLs as adopted by its local regulator should be relied upon. The PFMLs specifically address the requirement for a CCP to have practices in place to address recovery and orderly wind-down (i.e., resolution) scenarios, including that a CCP have appropriate plans to address scenarios that could potentially prevent it from being able to provide its critical services. For same reasons as outlined relative to Indicator 5, it is critical that Indicator 9 recognize local jurisdictions' adoptions of the PFMLs and the importance of this for a CCP to effectively manage the unique risks present in its markets.

Question 4:

Do you generally agree with the proposed indicators (Indicators 10 and 11) to further assess the CCP's clearing membership structure? Please elaborate and if you disagree with any specific indicator, please suggest an alternative one to measure the relevant criterion.

CCP12 Response:

Although we agree with ESMA's proposal to assess and identify EU clearing members, we would like to emphasise the importance that strong membership criteria play in a CCP's lines of defences. Regarding EU clearing members participation in a TC-CCP, any TC-CCP that has a significant number of EU entities that are clearing members and where those clearing members offer any form of clearing services to EU clients and EU indirect clients, should be taken under consideration in determining a TC-CCP's systemic importance to the EU.

Question 5:

Do you generally agree with the proposed indicator (Indicator 12) to further assess alternative clearing services? Please elaborate and if you disagree with any specific indicator, please suggest an alternative one to measure the relevant criterion.

CCP12 Response:

N/A

Question 6:

Do you generally agree with the proposed indicators (Indicators 13 and 14) to further assess relationships, interdependencies, or other interactions? Please elaborate and if you disagree with any specific indicator, please suggest an alternative one to measure the relevant criterion.

CCP12 Response:

CCP12 disagrees with ESMA's suggested parameters to assess links or connections with other financial market infrastructures ("FMIs"), other financial institutions, and the broader financial system. We would note, that direct connections to a central securities depository ("CSD") or payment systems should not

necessarily be perceived by ESMA as a potential risk to the stability of EU that could lead to a higher tiering as this could incentivise a TC-CCP to use more risky indirect links.

Question 7:

Do you identify other benefits and costs not mentioned above associated to the proposed approach (option 3)? If you advocated for a different approach, how would it impact this section on the impact assessment? Please provide details.

CCP12 Response:

N/A

ABOUT CCP12

CCP12 is a global association of 37 members who operate more than 60 individual CCPs globally across EMEA, the Americas 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 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

