

Brussels
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EACH welcomes European Parliament work on CCP Recovery and Resolution to make markets safer and more efficient

The European Association of CCP Clearing Houses (EACH) welcomes the progress made by the European Parliament's Committee on Economic and Monetary Affairs (ECON) to strengthen the European Commission legislative proposal on CCP Recovery and Resolution.

Building on international work and the initial Commission proposal, with a clear structure on a flexible and comprehensive toolkit for CCPs, the work lead by MEPs Swinburne and von Weizsäcker, together with shadow MEPs Hübner, Nagtegaal/van Nieuwenhuizen, Scott-Cato, Viegas and the rest of their colleagues in ECON, has resulted in additional safeguards for financial stability, preserved the crucial incentives structure on which CCPs are based and ensured alignment with international standards. EACH is particularly pleased that the European Parliament has added safeguards against the moral hazard which could potentially discourage commitment to a private sector solution in order to benefit from public bailout.

The ECON work creates a robust and effective CCP Recovery and Resolution regime that further insulates taxpayers from taking potential losses.

EACH hopes that the Council of the EU will work in the same direction and that the legislative framework for CCP Recovery and Resolution will be in place shortly.

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Background

On Wednesday 24th January 2018, the European Parliament's ECON Committee agreed its position on the European Commission proposal on CCP Recovery and Resolution. The report was approved with 49 votes in favour, 3 against and 6 abstentions.

Once the Council of the EU finalises its position on the file, negotiations should start to put together the views of the Council and Parliament with the objective of agreeing the final text of the framework legislation.

A framework for CCP Recovery and Resolution is required in order to ensure that in a situation beyond extreme but plausible (e.g. the default of more than two of the largest clearing members in a CCP) in which the resources available at CCPs in line with existing legislation are not enough, there is an orderly course of action that ensures the continuation of critical services without an impact on public funds.

About EACH

The European Association of CCP Clearing Houses (EACH) was founded in 1992 and is a Belgian not-for-profit organisation (AISBL), which represents central counterparty clearing houses (CCPs) in Europe. The membership is open to CCPs based in the European Union and in other European countries. The membership of EACH comprises 19 CCPs incorporated in 15 European countries. EACH is registered in the European Union Transparency Register with number 36897011311-96.

EACH has 19 members:

AthexClear S.A.	KELER CCP Ltd
BME Clearing S.A.	LCH.Clearnet Ltd
CC&G (Cassa di Compensazione e Garanzia S.p.A.)	LCH.Clearnet SA
CCP Austria	LME Clear
ECC (European Commodity Clearing AG)	Nasdaq Clearing
Eurex Clearing AG	National Clearing Centre (NCC)
EuroCCP	OMIClear
ICE Clear Europe	SIX x-clear AG
IRGiT S.A. (Warsaw Commodity Clearing House)	Takasbank
KDPW_CCP S.A.	