

Press release - European CCPs stand the test

Brussels,
29th April 2016

The European Association of CCP Clearing Houses (EACH) welcomes the results of ESMA's 'EU-wide CCP Stress test 2015'¹.

ESMA's report demonstrates that European CCPs are resilient and well equipped to withstand extreme market developments. EACH is pleased that *'the results indicate that for the reporting dates the system of European CCPs can overall be assessed as resilient to the scenarios used to model extreme and plausible market developments', 'no scenarios have been identified that are expected to be plausible and have at the same time a destabilising systemic impact on an EU-wide level' and that the 'analysis of the concentration of exposures in CCPs does not suggest emerging systemic risks at the CCP or EU-wide level'.*

This exercise has given ESMA the evidence basis to confirm that European CCPs are resilient to counterparty credit risk and therefore reduce systemic risk, ensuring safer and more efficient financial markets.

The outcome of the report provides evidence that the EMIR regulatory framework implemented in the EU following the Pittsburgh G20 commitment² has made European CCPs even more resilient than what they already demonstrated during previous extreme market movements thanks to their strong risk management and incentive structures.

EACH stands ready to work with ESMA, ESRB and National Competent Authorities to refine and improve upon the methodology for use in future tests and ensure that future regulatory developments do not diminish, but rather increase, such risk management and the market discipline that central counterparty risk management creates.

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¹ https://www.esma.europa.eu/sites/default/files/library/2016-658_ccp_stress_test_report_2015.pdf

² <http://www.g20.utoronto.ca/2009/2009communique0925.html>

Notes to the editors

About EACH

The European Association of CCP Clearing Houses (EACH) represents the interests of CCPs in Europe since 1992. EACH currently has 20 members from 15 different European countries. EACH is registered in the European Union Transparency Register with number 36897011311-96.

EACH members

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