

CONSULTATION PAPER

DRAFT REGULATORY TECHNICAL STANDARDS ON THE CAPITAL REQUIREMENTS FOR CCPs UNDER THE DRAFT REGULATION ON OTC DERIVATIVES, CCPs AND TRADE REPOSITORIES

Q1. Do you support this approach to capital requirements?

Yes.

Q2. Do you consider there to be any alternative approach which is more appropriate that would be consistent with Article 12 of the Regulation?

No.

Q3. Which criteria do you take into account for estimating the appropriate time span for orderly winding down or restructuring of the CCP's activities?

Not applicable.

Q4. What is your estimation for the number of months necessary to ensure an orderly winding-down or restructuring of the CCP's activities?

Not applicable.

Q5. Do you think that a minimum list of items to be included in the operational expenses could be useful, such as the IAS 7?

Not applicable.

Q6. How do you currently measure and capitalise for operational risk?

Not applicable.

Q7. Do you think that the banking framework is the most appropriate method for calculating a CCP's capital requirements for operational risk? If not, which approach would be more suitable for a CCP?

Not applicable.

Q8. What would be the cost of employing the basic indicator approach set out for banks for the calculation of your capital requirements for operational risk?

Not applicable.

Q9. Do you think that the Basic Indicator Approach set out for banks is appropriate for CCPs?

Not applicable.

Q10. In your view, which alternative indicator should the EBA consider for the Basic Indicator Approach? (Please elaborate why such indicator would be more appropriate for CCPs)

Not applicable.

Q11. In your view, with regard to the Standardised Approach, which different lines of business or type of products can be relevant for CCPs' operational risk?

Not applicable.

Q12. Do you think CCPs should be allowed to calculate the capital requirements for operational risk with an internal model, as in the advanced measurement approach?

Not applicable.

Q13. Which other approaches should the EBA consider for operational risk measurement?

Not applicable.

Q14. How do you currently measure and capitalise for credit, counterparty credit and market risk stemming from “non-clearing activities”?

Not applicable.

Q15. Do you think that the banking framework is the most appropriate method of calculating a CCP’s capital requirements for credit, counterparty credit and market risk stemming from “non-clearing activities”? If not, which method would be more suitable for a CCP?

Not applicable.

Q16. What would be the cost of employing Standardised Approach methods for the calculation of your capital requirements for credit, counterparty credit and market risk stemming from “non-clearing activities”?

We don’t understand the question. Are we talking about the effective cost of capital? Are we talking about operational cost of running the model?

Q17. In your view, are the Standardised Approach methods appropriate for the calculation of credit, counterparty credit and market risk a CCP faces stemming from “non-clearing activities”?

Yes.

Q18. Do you think that CCPs, which concentrate risks stemming from derivatives, should be allowed to calculate their capital requirements for credit, counterparty credit and market risk using internal models?

Yes, under a supervision/regulator approved model validated and tested on a semiannual base.

Q19. In your view, which assets held by a CCP should be better capitalized with a market risk treatment?

The better rated, less volatile ones, especially if they are negatively correlated between themselves.

Q20. In your view, which other approaches should the EBA consider for credit, counterparty credit and market risk measurement?

No specific suggestions.

Q21. What is your view on the notification threshold? At which level should it be set?

110% seems appropriate.

Q22. In your view, in which case should restriction measures be taken by the competent authority once the notification threshold is breached?

We prefer to have 2 distinct levels of measures:

Level 1 – Breaching of the 110% Threshold – Detailed proposal from the CCP of a list of measures to regain the threshold within a target time frame;

Level2 – Breaching of a let's say 105% Threshold - Imposed list of measures by the supervision or the competent authority.

Q23. Please provide the sum of the operational expenses during an appropriate time span for winding down or restructuring a CCP's activities based on the approaches specified below.

No.

Q24. Please provide the capital requirements for operational risk.

Not applicable.

Q25. Please provide the capital requirements for credit risk stemming from “non-clearing activities”.

Not applicable.

Q26. Please provide the capital requirements for counterparty credit risk stemming from "non-clearing activities".

Not applicable.

Q27. Please provide the capital requirements for market risk stemming from "non-clearing activities".

Not applicable.

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