BBVA

Introduction

We welcome the European Banking Authority's (EBA) invitation to comment on the discussion paper concerning the regulatory technical standards on the capital requirements for CCPs under the regulation for OTC derivatives, CCPs and TRs.

Responses to RTS on capital requirements for CCPs

Q1. Do you support this approach to capital requirements?

BBVA agrees with this approach since CCPs will bear a significant systemic relevance under the new financial market structure. We believe that they need to have enough financial resources to cover all non-clearing activity risks such as investment activities, and also operational risks stemming from their core activity.

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"?

BBVA considers this approach appropriate to compute the capital of a CCP for all risks stemming from non-clearing activities. We understand this methodology as very conservative, therefore having the correct scope in addressing market, credit and counterparty risk.

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?

BBVA does not deem appropriate to permit the CCP to be able to calculate their own capital requirement using internal models for risks related to transactions in derivatives.

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

BBVA believes that an adequate capitalisation on market risks needs to be in place for assets that are not related to their core activity. For example, the activity stemming from these investments, should be subject to higher capital charges requirements, in order to disincentive such action.