
CC&G Risk Notice

8 February 2021
RN_01/2021

Data request related to Direct Members exposure to all CCPs

For the attention of: *Direct Clearing Members - Risk Management department*
Priority: *Medium*
Topic: *Data request related to Direct Members exposure to all CCPs*

Dear Client,

In line with the recommendation issued by ESMA concerning the assessment of the participation requirements as per art. 37 EMIR, CC&G requires participants to send the data representing their aggregate exposures towards all CCPs. The data, requested yearly, should refer to the exposures as of 31 December of the closed year. Participants are, therefore, invited to complete the section "Membership to other CCPs / Annual Exposure to all CCPs" on the Membership Portal. In particular, the fields 'Date', 'Currency', 'Pre-funded resources' and 'Non-Pre-funded resources' should be populated by March 1, 2021.

ESMA recommends that competent Authorities ensure that supervised CCPs, while assessing their participation requirements, based on the data received from their participants, also consider the potential exposures of their clearing members towards all CCPs, distinguishing between losses on prefunded and non-pre-funded resources.

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Notes for guidance:

General

- The "date" should be filled with the last working day of the previous year (e.g. 31/12/2020).
- The "currency" used to report data is the one chosen by clearing members. If the reported currency is different from Euro the system will automatically calculate the amount in Euro.
- The request for this data will be made once a year. The data should, therefore, reflect the figure as of 31st December of the year before completing this template (e.g. For a data request in 2021, the data should be reported as of 31st December 2020). Clearing members should fill the Member Portal within March 1st, 2021.
- '*Exposure*' means the amount of losses that the clearing member could be exposed to, due to its participation in all CCPs, including CC&G, that the clearing member may be using at a global level (not just European level)
- '*Clearing member*' refers to the legal entity being a member of the CCP, not to its affiliates

Pre-funded resources

- It represents the overall amount of Default Fund contributions paid by the Participant due to its participation in multiple CCPs
Whereas the Member participates only to CC&G, she should declare the precompiled amount reported on the Membership Portal in the field 'Pre-funded resources' on the section relating to CC&G.

Non Pre-funded resources

- It refers to the overall potential cash calls for a further unfunded committed DF contribution as envisaged by each CCP's rulebook.
- Assumptions:
 - Under a single default event
 - If unlimited, please include the figure equivalent to three (3) assessments, unless otherwise indicated by the CCP (e.g. rules such as one (1) assessment if the clearing member withdraws from the CCP)
 - Across global CCPs (not only EU CCPs)

Whereas the Member participates only to CC&G, she should declare the precompiled amount reported on the Membership Portal in the field 'Non pre-funded resources' on the section relating to CC&G.

Such amount has been calculated through the following methodology: 1.5 times the Default Fund contributions for all sections, as per CC&G's rules, Article B.6.2.3, letter f).

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Example, whereas the Member participates only to CC&G:

Pre-funded resources	Non Pre-funded resources
€ 100 (default fund contribution as of 31/12)	€ 150 (default fund contribution as of 31/12 * 1.5)

For further information, please contact:

Ufficio Risk Management

E-mail: rm.group@lseg.com

Membership

E-mail: client.services@lseg.com