

## Terms of Reference

### CCP Policy Committee (CCPPC)

1. ESMA achieves its mission according to the ESMA Regulation No 1095/2010 of the European Parliament and of the Council (ESMAR) to enhance investor protection, promote orderly financial markets and safeguard financial stability.
2. ESMA has, in order to fulfil this mission established its 2023-2028 Strategy<sup>1</sup> which includes three strategic priorities: (i) fostering effective markets and financial stability, (ii) strengthening supervision of EU financial markets, and (iii) enhancing protection of retail investors) and two thematic drivers: (i) enhancing sustainable finance, and (ii) facilitating technological innovation and effective use of data.
3. Furthermore, ESMA is committed to support the European Commission in its efforts in building the Savings and Investment Union which includes increasing the effectiveness competitiveness of the financial markets, as well as in delivering on the goals of simplification and burden reduction while maintaining an effective supervision, a high level of financial stability and strong investor protection.
4. According to ESMA Regulation (ESMAR), ESMA acts within the powers conferred by its establishing Regulation and among others within the scope of Regulation (EU) No 648/2012 (EMIR), Directive 2002/47/EC on financial collateral arrangements, Directive 2014/65/EU and Regulation (EU) No 600/2014 (MIFID2 and MIFIR) where related to post-trading and more specifically central counterparties (CCP) aspects, and any further legally binding Union act which confers tasks to ESMA on CCP matters and any other Union act for which ESMA need to be consulted for matters affecting CCPs.
5. In order to fulfil its mission, the Board of Supervisors has established the CCP Policy Committee (CCPPC). The Terms of Reference cover the responsibilities and tasks of this group and the Procedures for ESMA groups (ESMA22-104-5119) set out the rules concerning its structure, governance and working methods.

#### Tasks and responsibilities

6. The CCPPC contributes to ESMA's mission by:

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<sup>1</sup> [https://www.esma.europa.eu/sites/default/files/library/esma\\_strategy\\_2023-2028.pdf](https://www.esma.europa.eu/sites/default/files/library/esma_strategy_2023-2028.pdf)

- Fostering Effective Markets and Financial Stability and Enhancing protection of Retail Investors
    - Definition of organisational, conduct of business and prudential requirements applicable to CCPs as financial markets infrastructures; and
  - Strengthening Supervision of EU Financial Markets
    - Development of Q&As or opinions related to CCP matters under EMIR or under any other EU legislation.
7. The CCPPC also serves to fulfil the following tasks:
- Completing a Single Rulebook for EU financial markets through the:
    - Development of guidelines related to CCP matters under EMIR or under any other EU legislation.
    - Development of new or where necessary revision of existing technical standards under EMIR related to CCP as well as under the forthcoming CCP Recovery and Resolution Regulation, until the Resolution Committee is established;
    - Reports assessing the implementation, the revision or potential extensions of EMIR or similar reports related to other EU legislation for matters affecting CCPs, except those to be prepared by the CCPSC in accordance with EMIR;
    - Development of technical advice related to CCP matters.
8. All of the above tasks shall be carried out by the CCPPC within the thematic drivers of (i) enhancing sustainable finance and (ii) facilitating technological innovation and effective use of data, established in the ESMA 2023-2028 Strategy.
9. In addition, the CCPPC will
- contribute to the objective of simplification and burden reduction when developing its regulatory output, and be accountable to ESMA Board of Supervisors on the manner those issues have been addressed in the final outputs.
  - identify and recommend areas for burden reduction and simplification within its scope of work.

## Cooperation

10. The CCPPC shall liaise and cooperate with other relevant groups reporting to the Board of Supervisors where its work is expected to interact with the functions of those of other groups, in particular the CCPSC and the CCP Resolution Committee (the CCP ResCo) where its tasks relate or are complementary to those of such groups.
11. The CCPPC should also discuss technical positions in its scope to ensure a coordinated EU approach when ESMA and NCAs participate in international fora.

## Composition

12. The CCPPC shall be composed of:

- (a) The Chair of the CCPPC, who shall be the Chair of the CCPSC appointed in accordance with Article 24a(5) of EMIR;
- (b) All voting members of ESMA Board of Supervisors, which shall be CCPPC Members;
- (c) All non-voting members of ESMA Board of Supervisors, which can be CCPPC Observers;
- (d) All (voting and non-voting) members of the CCPSC which are not members of ESMA Board of Supervisors (namely other competent authorities of Member States with an authorised CCP – where the member state has nominated more than one competent authority, central banks of issues and the two independent members of the CCPSC), which can be CCPPC Observers.

13. Each CCPPC Member and Observer shall appoint one primary representative and one alternate representative. The latter can attend a meeting of the CCPPC only in case the primary representative is prevented from attending that meeting. The CCPPC Observers under section 6(d), i.e. all (voting and non-voting) members of the CCPSC which are not members of ESMA Board of Supervisors, shall be represented in the CCPPC by the same representatives (primary and alternate) as in the CCPSC.

## Structure and governance

- 14. The responsibilities of the Chair, rapporteur and members of the CCPPC are as set out in the Procedures for ESMA groups which also set out the rules concerning ESMA Group's structure, governance and working methods.
- 15. Permanent or temporary groups reporting to the CCPPC may be set-up when required in line with the Procedures for ESMA groups.
- 16. In the interest of efficiency, the meetings of the CCPPC shall, as far as possible, be organised back-to-back with the meetings of the CCPSC.
- 17. The CCPPC will meet on a regular basis as required in order to deliver ESMA's (multi) annual work programme. Meetings of substructures will be organised as necessary to enable the CCPPC to fulfil its tasks.

## Confidentiality

- 18. All members and observers of the CCPPC are under the obligation to respect confidentiality as per paragraph 30 of the Procedures for ESMA Groups.

## **Review**

19. The Terms of Reference will be reviewed at least every two years by the Board of Supervisors, following a proposal of the CCPPC.