

## PRESS RELEASE

### ESMA consults on guidelines for CCPs' interoperability arrangements

The European Securities and Markets Authority (ESMA) has published a Consultation Paper on guidelines regarding the assessment of interoperability arrangements for central counterparty clearing (CCPs). The guidelines, which relate to the European Markets Infrastructure Regulation (EMIR), clarify the obligations for national regulators on how to assess existing or new interoperability arrangements between CCPs. CCPs enter into such agreements to allow their users to execute trades with a counterparty that has chosen another CCP. From 2013, CCPs will have to obtain authorisation under EMIR in order to do business in the European Union (EU).

ESMA's guidelines are aimed at providing a level-playing-field for CCPs in the EU by improving the rigour and uniformity of standards applied in the assessments of CCPs' interoperability arrangements. The guidelines define what national regulators should look at in assessing those arrangements and the aspects of the interoperable arrangements CCPs will need to focus their attention on in order to have safe and sound agreements in place.

ESMA's draft guidance focuses on the following issues related to interoperability arrangements:

- **legal risk:** in order to properly mitigate and manage any legal risk, all rights and obligations of the relevant CCPs, their processes and procedures should be easy to identify at any time;
- **ensure fair and open access:** any future expansion of interoperability arrangements (to other CCPs) should not be restricted other than on risk grounds. On the other hand, the interoperability arrangement should also permit its termination on risk grounds;
- **identification, monitoring and management of risks** are critical for ensuring the prudent management of any interoperability arrangement in order to guarantee the safety of all interoperable CCPs;
- **collateral deposits** should be ring-fenced in in order to put CCPs in a position where collateral is available in a timely manner at all times, including upon the default of an interoperable CCP; and
- **cooperation between national regulators** is essential in order to ensure a smooth approval process for the interoperability arrangement.

The closing date for responses to this consultation is 31 January 2013. The feedback received will be used to finalise the guidelines for use by national regulators when receiving applications for interoperability arrangements by CCPs under EMIR.



## Notes for editors

1. *Guidelines for establishing consistent, efficient and effective assessments of interoperability arrangements.*
2. ESMA is an independent EU Authority that was established on 1 January 2011 and works closely with the other European Supervisory Authorities responsible for banking (EBA), and insurance and occupational pensions (EIOPA), and the European Systemic Risk Board (ESRB).
3. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

Further information:

### **Reemt Seibel**

Communications Officer

Tel: +33 (0)1 58 36 4272

Mob: +33 6 42 48 55 29

Email: [reemt.seibel@esma.europa.eu](mailto:reemt.seibel@esma.europa.eu)