

PRESS RELEASE

ESMA launches public consultations on CCP resolution regime

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, today launched six public consultations to gather stakeholder feedback on how to implement its central counterparty (CCP) resolution mandates.

The six consultation papers (CPs) contain proposals for Draft Regulatory Technical Standards on:

- resolution colleges;
- the valuation of CCPs' assets and liabilities in resolution;
- the safeguards for clients and indirect clients; and on
- the content of resolution plans.

They also contain proposals for Draft Guidelines on:

- the valuation in termination of contracts; and on
- the application of the circumstances under which a CCP is deemed to be failing or likely to fail.

Harmonised CCP resolution measures will allow CCPs and the relevant regulators to be prepared for the measures and actions taken in a resolution process.

Nicoletta Giusto, Independent Member of the CCP Supervisory Committee, said:

“The launch of ESMA's public consultations, on the implementation of the CCP resolution mandates, is another important step towards ensuring consistency of EU central counterparties resolution regimes at EU level in line with the highest international standards.”

“The proposed Regulatory Technical Standards and Guidelines complement



the new Recovery and Resolution Regulation and will provide further guidance on the resolution phase, as well as giving EU regulators the necessary tools to ensure supervisory convergence across the EU.”

The closing date for responses is 24 January 2022. ESMA will organise an open hearing on the CPs on 14 January 2022 (registrations to open in December). ESMA will consider the responses to these consultations with a view to publishing the final reports by Q2 2022.

Notes for editors

1. ESMA70-151-3428 Consultation Paper on draft RTS on Resolution Colleges (Article 4(7) of the CCPRRR);
2. ESMA70-151-3384 Consultation Paper on Draft RTS on the requirements for independent valuers, the methodology for assessing the value of the assets and liabilities of a CCP, the separation of the valuations, the buffer for additional losses to be included in provisional valuations and the methodology for carrying out the valuation for the purpose of the 'no creditor worse off' principle (Articles 25(6), 26(4) and 61(5) of CCPRRR);
3. ESMA70-151-3239 Consultation Paper on Draft RTS on Safeguards for clients and indirect clients (Article 63(2) of the CCPRRR);
4. ESMA70-151-3396 Consultation Paper on Draft Guidelines on Methodology to value each contract prior to termination (Article 29(7) of the CCPRRR);
5. ESMA91-372-1469 Consultation Paper on Draft RTS on the content of CCP resolution plans (Article 12(9) of the CCPRRR); and
6. ESMA91-372-1495 Consultation Paper on Draft Guidelines on the application of the circumstances under which a CCP is deemed to be failing or likely to fail (Article 22(6) of CCPRRR).
7. The Commission adopted the regulation on recovery and resolution of central counterparties (CCPRRR) on the 16 December 2020 and it entered into force on 12 February 2021. It includes several mandates to ESMA to provide guidelines and draft regulatory technical standards, some in cooperation with ESRB, ESCB and EBA.

ESMA is the European Union's securities markets regulator. Its mission is to enhance investor protection and promote stable and orderly financial markets. It achieves these objectives through four activities:

- i. assessing risks to investors, markets and financial stability;
- ii. completing a single rulebook for EU financial markets;
- iii. promoting supervisory convergence; and



- iv. directly supervising specific financial entities.
 - o ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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