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# CC&G Risk Notice

03 February 2020

MN\_02/2020

## ***Data request related to Direct Members exposure to all CCPs***

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**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 CCPs' participation requirements, CC&G requires participants to send the data representing their aggregate exposures towards all the CCPs they are members of in the context of the assessment of the participation requirements as per art. 37 EMIR. The data, requested yearly, shall refer to the exposures as of 31 December of the closed year. Participants are therefore invited to fill the section "Membership to other CCPs / Annual Exposure to all CCPs" on the Membership Portal. In particular, the fields 'Currency', 'Pre-funded resources' and 'Non-Pre-funded resources' shall be filled by March, 2nd 2020.

In particular, ESMA recommends that competent Authorities ensure that supervised CCPs, while assessing their participation requirements, also consider the potential exposures of their clearing members towards all CCPs they are members of, distinguishing also between losses on prefunded and non-pre-funded resources, based on the data which will be sent to the CCP by the same participants.

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Notes for guidance:

## General

- 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 2020, the data should be reported as of 31st December 2019). Clearing members should fill the member Member Portal within March 2nd, 2020.
- *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 Default Fund contributions 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 but MIC, as per CC&G's rules, Article B.6.2.3, letter f). For the MIC section the non pre-funded resources are 1 time the Default Fund Contribution as per MIC's rules Article D.1.1.4, letter e).

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For further information, please contact:

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