



European Securities and  
Markets Authority

# Response Form to the Consultation Paper

**RTS on the methodology for calculation and maintenance of the additional amount of pre-funded dedicated own resources (Article 9(15) of CCPRRR)**



## Responding to this paper

ESMA invites comments on all matters in this consultation paper and in particular on the specific questions summarised in Annex I. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **20 September 2021**.

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading 'Your input - Consultations'.

### Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA\_QUESTION\_SITG\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text "TYPE YOUR TEXT HERE" between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_SITG\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_SITG\_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA's website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading "Your input – Open consultations" → "Consultation on the methodology for calculation and maintenance of the additional amount of pre-funded dedicated own resources").

## **Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

## **Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](#).

## **Who should read this paper?**

All interested stakeholders are invited to respond to this consultation paper. In particular, responses are sought from central counterparties (CCPs) and their clearing members.

## General information about respondent

Name of the company / organisation	Eurex Clearing
Activity	Central Counterparty
Are you representing an association?	<input type="checkbox"/>
Country/Region	Germany

## Introduction

***Please make your introductory comments below, if any***

<ESMA\_COMMENT\_SITG\_00>

Eurex Clearing is an EMIR-authorized central counterparty (CCP) and a subsidiary of the Deutsche Börse Group. Eurex Clearing provides clearing services for cash and derivatives markets in listed and over-the-counter (OTC) financial instruments. We appreciate the opportunity to provide feedback to ESMA's consultation regarding the calculation and maintenance of the Second Skin in the Game (SSITG).

Eurex Clearing strongly believes that an appropriate incentive for prudent risk management for the CCP's decision makers is critical to the overall financial stability of the CCP. We also acknowledge that such an incentive is best designed in the form of prefunded or committed contributions distributed across the lines of defense. We therefore welcome the introduction of a SSITG. At time of writing, Eurex Clearing already dedicates over €1.3 bn<sup>1</sup> across its lines of defense, well above the minimum requirements set by both existing regulation and the new CCP RR regime.

At the same time, we would respectfully caution against the temptation to impose additional requirements without having adequately assessed the impact. The calculation and distribution methodology is far more crucial than the hard numerical value of a CCP's 'Skin in the Game' (SITG) in providing an appropriate incentive for risk management. We would note in particular that:

- Undue focus on a single segment of the default waterfall is not reconcilable with the broader function of CCPs, for whom mutualization of losses is a foundational concept. For example, if the SITG is too large, it could diminish the incentives of other market participants to support the default management process. An appropriate distribution of financial obligations, including both the SITG and SSITG, ensures that the incentives for a CCP's management remain unaltered across the default management procedures, even in a worst-case scenario. Eurex Clearing recognizes that the CCP RR regulation has adequately taken these factors into consideration.
- The methodology of the calculation should always be consistent with the purpose of the requirement. As an incentive for CCPs' decision-makers to apply proportionate risk

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<sup>1</sup> In a Default Event.

measures, any SITG requirement should be based on metrics of transparency, governance, general risk management practices as well as management's and shareholders' own motives. Again, this is also generally the case in this regulation. Eurex Clearing, however, notes that regulators, as well as some (non-CCP) industry associations seem to regularly compare clearing members' default fund contributions to the CCP's own contribution. Eurex Clearing believes that such comparison will only diminish, rather than increase, the appropriateness of the incentive for the CCPs.

Additionally, Eurex Clearing would question the need for such requirement in the lines of defense to be prefunded. As the SSITG only serves as an incentive, a commitment would be equally effective in achieving this purpose.

Finally, while Eurex Clearing agrees with the general principles proposed by ESMA, Eurex Clearing respectfully proposes enhancements and clarifications in this response (please refer to the answers to individual questions below for more details):

- Certain individual metrics suggested in the text may be counterproductive and create incentives for poorer risk management practices. As requested by ESMA, Eurex Clearing proposes alternatives to these metrics, which we believe may sharpen the proposal.
- Furthermore, we observe that ESMA has laid out a set of criteria that intends to penalize what ESMA sees as insufficiently good risk management practices. While we generally agree with this approach, we have pointed out specific items that we believe are instead adequate, or even good risk management practices, and should therefore be removed or replaced. We also regret the absence of positive incentives for CCPs who voluntarily set themselves more prudent objectives or parameters. All CCPs comply already with EMIR, which sets out already extremely high standards for risk management; however, some CCPs go even beyond such requirements. ESMA could, for instance, allow for a reduction of SSITG (within the 10-25% range) in case a CCP would voluntarily set out a longer MPOR than the regulatory requirement, or set confidence level beyond 99% for their IMR. This would incentivize CCPs for even more prudent risk management, rewarding those making this additional effort, while not penalizing CCPs complying with the EMIR regulation, as such regulation is already highly conservative.
- The degree of flexibility a CCP can afford in terms of amount and distribution of its SSITG is to some extent unclear to Eurex Clearing. Therefore, we kindly encourage ESMA to provide further clarifications.
- The proposed process for updating the SSITG requirement will unnecessarily create operational burden for the CCP and its NCA. We would therefore like to suggest an alternative maintenance process which achieves the same purpose more easily.

We trust our comments are considered a useful contribution to the specification of the new CCP RR regime ensuring an effective implementation. Eurex Clearing remains at the disposal of ESMA for any questions and additional feedback.

<ESMA\_COMMENT\_SITG\_00>

## Questions

Q1 : Do you agree with the proposed approach to define the basic elements of the methodology for the calculation and maintenance of the additional amount of pre-funded dedicated own resources? If not, please explain why and how you would suggest changing the basic elements of the formula?

<ESMA\_QUESTION\_SITG\_01>

We generally agree with ESMA's overall approach to link SSITG to risk management and government practices. However, it leads to a complex calculation and a burdensome maintenance process.

In particular regarding the frequency of the review, we have concerns about the proposed requirement to recalculate the SSITG 'every time one of the parameters of the calculation formula is modified'. While some of the parameters may change relatively frequently, they change only marginally, such as those relating to staffing levels or exposures as measured by collateral contributions. Having to update the SSITG calculation every time one of these parameters change would impose a large operational burden on CCPs without contributing to improved risk management, considering how many departments would have to contribute live data. We would therefore suggest that the SSITG is recalculated on a yearly basis, which would adequately capture developments in the CCP's risk profile without generating this additional operational burden and without challenging the purpose of the SSITG. As EMIR requires the SITG to be re-calculated on a yearly basis, taking the same approach for the SSITG would ensure harmonization, proportionality, and efficiency.

To Eurex Clearing, it is also unclear whether the amount determined by the multiplication of the predefined percentage and the EMIR total minimum capital requirement prescribes a deterministic amount of SSITG or a minimum requirement. The current phrasing in both Level 1 and Level 2 texts clearly qualifies this number as the 'amount' of SSITG, which means that, if a CCP calculates, e.g. €20 mn, the SSITG must be exactly €20 mn, no more and no less. However, this strict understanding of the rules is counterintuitive with the current rules on capital requirement for CCPs and SITG, which only defines a minimum amount. Eurex Clearing would therefore kindly ask ESMA for clarification on whether:

- The CCP's SSITG must be exactly the amount determined following the calculation rules described by ESMA in this RTS and describe it this way in its rulebook. It should be noted that such amount will be relatively volatile due to changes in both the percentage amount and the EMIR capital requirement; or
- The CCP can book any amount for its SSITG on a voluntary basis providing this amount is superior or equal to the number determined following the calculation rules described by ESMA in this RTS.

Even if a CCP voluntarily opts for the regulatory envisaged maximum percentage of 25% of the EMIR total minimum capital requirement as SSITG, this does not exclude the possibility that this amount will fluctuate on a quarterly basis (at least), since it is linked to the EMIR total minimum capital requirement, which is recalculated over quarters. Therefore, Eurex Clearing is of the opinion that allowing to commit a higher SSITG than the level defined in this text would allow for a more stable SSITG amount over the course of time, and a better capital planning for CCPs.

Furthermore, regarding the specific parameters proposed for the calculation methodology of the SSITG in chapter 4.2.1, we disagree with the inclusion of the A5 parameter 'Weaknesses identified by the NCA'. According to Article 9 (15) (a) of Regulation (EU) 2021/23, ESMA shall take into account "the structure and the internal organisation of CCPs and the nature, scope and complexity of their activities" when developing the technical standards. Eurex Clearing would like to caution whether the parameter in 4.2.2.5 'Weaknesses identified by the CCP's competent authority (A5)' is aligned with the mandate of the Level 1 text. This parameter establishes a *de facto* explicit link between compliance with regulatory requirements and CCP capital requirements, similar to the SREP process carried out for banks by the ECB and the national competent authorities. We believe that the parameter A5 is not aligned with the mandate of the Level 1 text. To our understanding, as Regulation (EU) 2021/23, Article 10 (8), (9), (10), (11) refers specifically to the assessment of recovery plans, it does not provide a mandate in Level 1 text for the parameter A5. Eurex Clearing, therefore, suggests deleting parameter A5 and its two related indicators. To compensate for the deletion of these two indicators in the parameter A5, we propose instead the addition of two new indicators within two already existing parameters. Specifically, these are (i) a fourth item under parameter A3 on the structural independence of the model validation function and (ii) a fourth item under parameter B3 on the staffing levels of the default management function (for more details on (i)-(ii) please refer to our respective comments under Q3 below).

Regarding ESMA's proposal on how to proceed with multiple default funds in chapter 4.1, paragraph 17, third bullet, ESMA states that the SSITG should be allocated "to each of the default funds in proportion to the size of the default fund and used for defaults arising in the different market segments to which the default fund refers to." Further, "in non-default scenarios, the full amount would be used." We would kindly encourage ESMA to clarify whether this means that the SSITG could also be segmented where one default fund is segmented across asset classes. This would mean that the SSITG could be sized depending on the size of the Default Fund segment per asset class in one default fund. In a default event, the SSITG would be used per asset class where the default occurs, following the same logic as the contribution of non-defaulted clearing members. The total SSITG would, therefore, be used progressively based on the Default Fund structure. In case of a non-default event, the entire SSITG would be used up in one go, as outlined by ESMA above.

<ESMA\_QUESTION\_SITG\_01>

Q2 : Do you agree with the schematic formula combining a set of parameters assessed by the CCP? If not, please explain why and how you would suggest changing the formula?

<ESMA\_QUESTION\_SITG\_02>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_02>

Q3 : Do you agree with the list of parameters to describe the structure and the internal organisation of CCPs and the nature, scope and complexity of a CCP's business? If yes, are there additional parameters that should be added to the list? If not, please explain why and how you would suggest assessing the internal organisation of CCPs and the nature, scope and complexity of a CCP's business in the methodology?

<ESMA\_QUESTION\_SITG\_03>

As already explained under Q1, regarding the specific parameters proposed for the calculation methodology of the SSITG in chapter 4.2.1, we disagree with the inclusion of the A5 parameter 'Weaknesses identified by the NCA', since in our view this is not consistent with the respective reference on the Level 1 text, i.e. 'the structure and the internal organisation of CCPs and the nature, scope and complexity of their activities' (Article 9 (15) (a) of Regulation (EU) 2021/23). To compensate for the deletion of the two indicators of parameter A5, we instead proposed that two new indicators for two already existing parameters could be added, i.e. (i) a fourth item under parameter A3 on the structural independence of the model validation function and (ii) a fourth item under parameter B3 on the staffing levels of the default management function. More in detail, parameter A3, second item, proposes an indicator on the internal organisation of the CCP's model validation team, with the focus on the lowest common reporting line conditional upon the model validation team being internal with model development. While Eurex Clearing in principle acknowledges this measure as relevant, we believe that the independence of the model validation team does not only depend on its lowest level reporting line, but also on its organisational separation from the model development team. We would, therefore, suggest an additional indicator on whether the second line of defence, i.e. model validation team, is structurally independent from the model development team, i.e. applying a 1% indicator value for CCPs with no structurally independent model validation team.

In relation to section 4.2.3.3, 'The clearing member's and client's involvement in the CCP's risk governance,' and more in particular parameter B3, second item ('Are there incentives for clearing members and clients to participate in the default management process?'), we welcome the proposal to incentivise CCPs to have effective default management processes in place. However, we would note that a good default management rulebook is useless without the means to operationalise it and would therefore suggest adding an additional indicator relating to staffing levels, similar to the final point in parameter A3 for the second line of defence risk function (e.g., What is the percentage of staff in the default management function (expressed as a % of FTEs, including outsourced functions)?).

Furthermore, a number of the proposed parameters provide, in our view, incorrect incentives:

Regarding 4.2.1 Table A1 second item, 'Are there more than one asset class under the same default fund? If yes, an additional 2% would apply.' This criterion creates an incentive for CCPs to operate segregated default funds and unfairly penalizes CCP with segmented default funds, even though operating one default fund for multiple asset classes is a better risk management practice: the SSITG of a CCP operating a segregated default fund is only partially exposed in the event of a given default case, whereas the SSITG of a CCP operating one default fund would be fully exposed in the same scenario. This means that CCPs operating one default fund are already better incentivised to effectively manage the risks to which they are exposed, since a greater proportion of their own resources is at stake in any given default scenario. We would therefore suggest reversing this criterion, applying the 2% value to CCPs operating multiple/segregated default funds.

Regarding A2, first item, 'Does the CCP have more than 5 interdependencies with trading venues, payment systems and settlement systems? If yes, an additional 1% would apply.' This

penalizes CCPs with multiple venues and payment/settlement systems, while it should rather be the opposite. We understand ESMA's potential argument that a high number of interdependencies with other market infrastructure providers may introduce complexity into the risk management and, thus, to the overall risk profile of the CCP. However, we believe that the opposite, i.e. a small number of interdependencies, may rather increase concentration risk and therefore indirectly the overall credit risk of the clearing house. CCPs with links to only a small number of payment and settlement service providers are much more exposed in the event that one of these providers experiences an outage or failure. In contrast, CCPs with more linkages also have more alternatives in the event one of the service providers fails. We would therefore suggest reversing this criterion by replacing 'more than' with 'fewer than,' i.e., applying the 1% value to CCPs with fewer such connections.

A4, first item 'Percentage of the number of clearing services for which margins back-tests performance is below the CCP's target over the last 12 months' proposes to link back-testing performance to SSITG capital requirements. While Eurex Clearing acknowledges this measure as relevant in principle, we believe that this indicator is not aligned with proper risk management incentives and needs clarification for operationalization. We believe that using the internal confidence level as reference of the CCP to compute the breaches sets the wrong risk management incentive, as CCPs will be deterred from setting higher internal confidence levels compared to EMIR regulatory minimum confidence levels. In addition, using regulatory imposed minimum confidence levels also enhances the comparison of CCPs' risk management performance across CCPs. Finally, the underlying metric and comparison lacks clarity on specification, i.e. such as the effective confidence level being below the target confidence level based on counting the number of observations, or the effective confidence level being below the target confidence level based on a statistical test - such as the Kupiec test. Moreover, the level of aggregation should be specified for which back-testing is analysed within a clearing service, i.e. across all clearing members, at clearing member-level, or at portfolio-level. Overall, we would suggest revising the indicator to better align with risk management incentives and to add clarification on its computation.

Additionally, there appears to be an error in Section 4.2.2.4, at Paragraph 44: the range should be [0%;8%] instead of [0;6].

<ESMA\_QUESTION\_SITG\_03>

Q4 : Do you agree with the list of parameters to describe the structure of incentives of a CCP's shareholders, management, clearing members and clients? If yes, are there additional parameters that should be added to the list? If not, please explain why and how you would suggest assessing the incentives in the methodology?

<ESMA\_QUESTION\_SITG\_04>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_04>

Q5 : Do you agree with the proposal that all EU CCPs may rely on alternative investments for the purpose of maintaining the SSITG?

<ESMA\_QUESTION\_SITG\_05>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_05>

Q6 : Do you agree that this list of alternative investments shall be specified in the draft RTS?

<ESMA\_QUESTION\_SITG\_06>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_06>

Q7 : Do you agree with the proposed list of additional investments for the purpose of maintaining the additional amount of pre-funded dedicated own resources under Article 9(14)? If not, please explain why? If yes, is there any type of asset that you would like to add to or remove from the list?

<ESMA\_QUESTION\_SITG\_07>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_07>

Q8 : Do you agree with the proposed procedure for triggering specified recovery measures where all or part of the CCP's pre-funded dedicated own resources allocated to cover SSITG are not readily available for CCPs? If not, please explain why?

<ESMA\_QUESTION\_SITG\_08>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_08>

Q9 : Do you agree with ESMA's proposed procedure for the compensation of non-defaulting clearing members? If not, please explain why?

<ESMA\_QUESTION\_SITG\_09>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_09>

Q10 : Do you have access to different data and analysis that would contradict ESMA's conclusion that no further adjustment of the SSITG level based on competitiveness consideration is needed?

<ESMA\_QUESTION\_SITG\_10>

Regardless of the competitiveness dimension, Eurex Clearing is of the opinion that, considering their different purposes, comparing the Skin(s)-in-the-Game (or any form of capital requirement for CCPs) across CCPs with the Default Fund, is a counterproductive exercise:

- CCPs' Skin(s)-in-the-Game is solely used as an incentive for the management and shareholders of the CCP to act in the interest of market stability, while the prefunded resources of clearing members are both an incentive for them to support the CCP's default management process and a loss-absorption mechanism.
- Presenting the Skin(s)-in-the-Game as comparable to the Default Fund will strongly incentivize CCPs to reduce the conservativeness of their Default Fund calibration, in order to either reduce their own SITG, or gain an additional marketing advantage. This fundamentally contradicts the sole purpose of the Skin(s)-in-the-Game: setting appropriate incentives for the CCPs' management to act prudently.

- CCPs have many other resources distributed across the waterfall, such as contribution to the assessments, remaining capital and parental guarantees which are not captured in this comparison. Clearing members also have potential liabilities in the form of Default Fund assessments, which differ from a CCP to another.
- The methodology to calculate the Default Fund of each CCP differs, leading a prudent CCP, with conservative stress scenarios, to look “bad” compared to an aggressive CCP, with “client-friendly” stress scenarios, at equal SITG and at equal size.

As an incentive for the decision-makers, comparing CCPs’ Skin(s)-in-the-Game should be done by using a ‘Quarterly Report’ metric (e.g. revenues, EBITDA, dividend payments, operating costs etc.), as these are the metrics management and shareholders’ remuneration are based upon.

<ESMA\_QUESTION\_SITG\_10>

Q11 : Do you have any additional data that you may share in order to assess the impact of this requirement on the EU CCPs’ competitiveness?

<ESMA\_QUESTION\_SITG\_11>

As a general comment on ESMA’s proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_11>

Q12 : Do you identify other benefits and costs not mentioned above associated to the proposed approach under each specified aspect of the methodology?

<ESMA\_QUESTION\_SITG\_12>

As a general comment on ESMA’s proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_12>

Q13 : If you advocated for a different approach, how would it impact this section on the impact assessment? Please provide details.

<ESMA\_QUESTION\_SITG\_13>

As a general comment on ESMA's proposed technical standards, we kindly ask ESMA to reconsider some of its proposals as regards the metrics and calibrations of the calculation which we perceive to be too granular and complicated. Further, we are concerned that their maintenance creates significant operational burdens and a misleading sense of exactness while missing out some important items. Therefore, we made some concrete suggestions across the different parts of the consultation paper which shall in conjunction contribute to a simplification and streamlining of the regime and take into account the experiences and views of CCP that already fully comply with and overfulfill risk management standards.

<ESMA\_QUESTION\_SITG\_13>