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**ECB-PUBLIC**  
ESRB/2023/0124

**ESRB response to ESMA's final report on extending emergency measures  
on CCP collateral requirements**

2 October 2023

Dear Ms Ross,

Thank you for your letter dated 20 September 2023 consulting the European Systemic Risk Board (ESRB) on the final report from the European Securities and Markets Authority (ESMA) on extending emergency measures on central counterparty (CCP) collateral requirements. The ESRB welcomes the opportunity to provide its response to this report and ESMA's proposal.

**The ESRB's previous response**

On 14 October 2022 ESMA proposed emergency measures to alleviate liquidity pressures observed in energy markets by clearing participants, in particular non-financial counterparties (NFCs), which were adopted by the European Commission on 21 October 2022<sup>1</sup>. The revised regulatory technical standards (RTS) expanded the pool of eligible collateral accepted by CCPs to include uncollateralised bank guarantees for NFCs acting as clearing members and public guarantees for all types of counterparties. The ESRB, which

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<sup>1</sup> [Commission Delegated Regulation \(EU\) 2022/2311 of 21 October 2022 amending the regulatory technical standards laid down in Delegated Regulation \(EU\) No 153/2013 as regards temporary emergency measures on collateral requirements](#)

together with the European Banking Authority (EBA) and the European System of Central Banks (ESCB) was consulted under Article 46(3) of the European Market Infrastructure Regulation (EMIR)<sup>2</sup>, supported this expansion.<sup>3</sup> The ESRB also stressed its temporary and targeted nature and that any changes to CCPs' risk management frameworks should be accompanied by relevant safeguards. In addition, the ESRB remarked that it is worth assessing the broader implications of developments in commodity and energy markets for CCPs' risk management and whether there is room for structural improvement of the current requirements to better adapt them to the specificities of these markets. This included anti-procyclicality measures and/or increasing the transparency and predictability of margin requirements of clearing members to clients.

From a systemic risk perspective, the ESRB supported the temporary expansion of CCP-eligible collateral to include public guarantees issued by public entities or multilateral development banks in the European Economic Area (EEA) as this might increase the ability and willingness of banks to provide liquidity to NFCs without materially transferring risk from the real economy to banks or CCPs. The ESRB expressed, however, some reservations with respect to uncollateralised bank guarantees.

### **ESMA's proposed extension of the emergency measures on CCP collateral requirements**

The ESRB takes note that, unless action is taken, the temporary expansion that it supported will expire on 29 November 2023. It also takes note that ESMA's report, on which the ESRB is required to be consulted under Article 46(3) EMIR, does not find any evidence that the temporary measures have created unmanageable risks for CCPs and the EU financial system as the risk management safeguards of the CCP and all other applicable collateral requirements continue to apply.

### **The ESRB's response to ESMA's proposal**

The ESRB maintains its view communicated in its response of October 2022, including its belief that the emergency measures on CCP collateral requirements should be temporary. Based on the findings of ESMA's report, and in view of the potential increase in volatility in energy markets in the coming winter months and the ongoing negotiations to review the regulatory framework applicable to EU CCPs (EMIR 3.0),

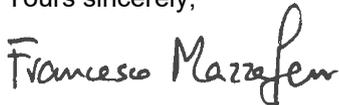
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<sup>2</sup> [Regulation \(EU\) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories \(OJ L 201, 27.7.2012, p. 1\).](#)

<sup>3</sup> ["ESRB response to ESMA's Final Report on Emergency measures on collateral requirements, including draft RTS amending Commission Delegated Regulation \(RTS\) 153/2013"](#)

the ESRB is, however, agreeable to the extension proposed by ESMA as it would reduce risks to financial stability.

Yours sincerely,

A handwritten signature in black ink that reads "Francesco Mazzaferro". The signature is written in a cursive, slightly slanted style.

Francesco Mazzaferro

Head of the ESRB Secretariat