

**MEMO# 30567**

February 7, 2017

# **FSB Proposes Guidance on Central Counterparty Resolution and Resolution Planning; Member Feedback on FSB Proposed Guidance Requested by February 14**

[30567] February 7, 2017 TO: Derivatives Markets Advisory Committee  
ICI Global Trading & Markets Committee  
International Committee  
Securities Operations Advisory Committee RE: FSB Proposes Guidance on Central Counterparty Resolution and Resolution Planning; Member Feedback on FSB Proposed Guidance Requested by February 14

The Financial Stability Board (FSB) recently proposed guidance on central counterparty (CCP) resolution and resolution planning.<sup>[1]</sup> The Consultation seeks comments on eight issues related to the resolution of a CCP: (1) the objectives of CCP resolution and resolution planning; (2) the powers that resolution authorities should have to maintain the continuity of critical CCP functions, return the CCP to a matched book, and address default and non-default losses; (3) the potential indicators of circumstances that could lead to a determination to trigger resolution; (4) the treatment of equity of existing CCP owners in resolution; (5) the application of the “no creditor worse off” safeguard in resolution; (6) the assessment of the adequacy of financial resources in resolution; (7) the aspects of resolution planning and resolvability assessments; and (8) cross-border coordination. The proposed guidance would allow the use of customer assets—including initial and variation margin—to support the resolution of a failing CCP.

The comment period for the Consultation closes on March 13, 2017. ICI expects to comment on the Consultation, focusing on the need to enhance the protection of customer assets during CCP resolution. If members have comments on the Consultation, please contact George Gilbert at [george.gilbert@ici.org](mailto:george.gilbert@ici.org) no later than **Tuesday, February 14**.

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**endnotes**

[1] See FSB, *Guidance on Central Counterparty Resolution and Resolution Planning, Consultative Document*, February 1, 2017, available at <http://www.fsb.org/wp-content/uploads/Guidance-on-Central-Counterparty-Resolution-and-Resolution-Planning.pdf> (Consultation). The FSB developed the proposed guidance after reviewing comments on a discussion note on CCP resolution planning that it published during the summer of 2016. See FSB, *Essential Aspects of CCP Resolution Planning, Discussion Note*, August 16, 2016, available at <http://www.fsb.org/wp-content/uploads/Essential-Aspects-of-CCP-Resolution-Planning.pdf>.

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