

# **CCP12** Central Counterparty Global Conference

**T O K Y O 2 0 0 8**  
**April 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup>**

## **CCPS AND THE EVOLUTION OF GLOBAL TRADING: INTERCONNECTING EXCHANGES, LISTINGS AND LIQUIDITY POOLS**

### **GLOBAL 'CCP' CONFERENCE ON CLEARING SET FOR JAPAN IN APRIL**

*--CCPs, Together with Key Exchanges, Financial Firms and Regulators, to Discuss Seamless Global Trading.*

*Tokyo, Sao Paulo, New York, London, [26] March 2008 – A summit of the world's major providers of central counterparty (CCP) clearing services, accompanied by key representatives of exchanges and marketplaces, global financial firms, central securities depositories and regulators, will be held in Tokyo from Wednesday April 16, through Friday, April 18. It will discuss a broad range of emerging issues and challenges that CCPs and other elements of the trading infrastructure are facing as the financial industry demands progress from its trading infrastructure towards a more seamless, efficient and safer global environment for securities and derivatives.*

The conference is being organized by CCP12, a global organisation which, since 2001, has been working to further the industry's dialogue on the adoption of best clearing and risk management practices, regulatory harmonization and pursuit of strategies to support the increase in cross-border trading and facilitate interconnections between and among global markets, instruments and liquidity pools.

"The financial firms and capital markets that we support around the world understand how critical the infrastructure is to bringing about greater efficiency, risk management and lower cost during a period when trading volumes are growing, when financial markets are increasingly looking to trade across national borders, and particularly at this time of acute market volatility," said Amarílís Prado Sardenberg, Chairman of CCP12, and Chief Operating Officer of the Brazilian Clearing Corporation and Depository (CBLC).

"Regulatory issues are high on the agenda, with changes needed to foster the evolution of markets and to create secure cooperative arrangements to facilitate cross-border access. The discussion of the recent market environment, initiatives and the trends in regulation are a key aspect of the CCP business in the future," said Rory Cunningham, chairman of the European Association of Central Counterparty Clearing Houses and Director of Strategy and Development at LCH.Clearnet.

“Holding this conference is recognition by many of our CCPs that, with growing momentum in financial services toward consolidation globally, the industry is looking to them for leadership,” added Sardenberg. “The response thus far to our invitations has been very strong. We expect to have more than 150 participants from over 70 financial organizations.”

The Japan Securities Clearing Corporation and the Tokyo Stock Exchange, Inc. will be the venue hosts for the event at the Palace Hotel, Tokyo.

“All central counterparties are dealing with a number of challenging issues on how to address marketplace consolidation, manage investment in our local and regional market infrastructure and collaborate as the need grows for global clearing capabilities,” said Yoshimasa Yamashita, President and CEO of Japan Securities Clearing Corporation. “As a venue host with the Tokyo Stock Exchange, I am looking forward to seeing you all in Tokyo.”

The conference will focus on a broad agenda of issues:

- To demonstrate and increase CCPs’ awareness of the changing global needs and priorities of the constituencies they serve and to foster a dialogue on addressing the need for more common standards, collaboration among CCPs and evolving a strategy for achieving interoperability on a global basis.
- To discuss key drivers of change, including volume growth, the emergence of new liquidity pools, the trading in new financial instruments, the movement from cash markets to more hybrid type OTC derivative instruments and the concerns of regulators for greater transparency and risk management safeguards.
- To address how CCPs can communicate across multiple jurisdictions and time zones on critical and increasingly more complex risk management issues, and evolve risk management strategies to counteract and minimize the potential for a crisis to undermine the stability of financial markets.
- To promote an analysis of business benefits which could arise from greater cooperation among CCPs around the globe, including looking at issues such as netting, cross-margining and cross-membership.
- To look at key regulatory trends and provide an update on progress and cooperative arrangements to facilitate cross-border arrangements, including CPSS-IOSCO, the EU Code of Conduct on clearing and settlement and other developments that have impacted CCPs’ procedures and activities.

“We all recognize and respect that each market has unique characteristics, market practices and technology capabilities, but we share a common challenge to support the growth of capital and help our customers lower their costs and reduce risk,” said Donald F. Donahue, Chairman and CEO of The Depository Trust & Clearing Corporation in the U.S., and one of the founding members of the organization. “There are no simple solutions to fostering cross-border clearing, but this type of dialogue is a critical step in that process.”

This will be the second global dialogue sponsored by the leading infrastructure organizations worldwide who clear and settle securities transactions. The first was held in London in 2001 and involved more than 150 industry leaders representing more than 70 of the most important financial services infrastructure organizations and firms from Europe, Asia/Pacific and the Americas. Since that time, as its membership expanded to 20 CCP organizations, CCP12 has been meeting at least biannually, as well as working in smaller teams to advance risk management awareness and analyze regulatory developments.

## **About CCP12**

CCP12 was formed in 2001 by major central counterparty organizations in Europe, Asia and the Americas to share information, develop analyses and develop policy standards for common areas of concern. The group frequently invites regulators and representatives from other clearing and settlement organizations, exchanges and marketplaces, financial firms and other industry associations around the world to join its meetings to foster dialogue on issues of mutual interest and concern. During 2007, CCP12 met in Seoul, South Korea, in April and also last October in Boston, Massachusetts, U.S.

The 20 member organizations of the CCP12 include:

- Australian Securities Exchange
- The Brazilian Clearing and Depository Corporation
- Brazilian Mercantile & Futures Exchange
- The Canadian Depository for Securities Ltd.
- Canadian Derivatives Clearing Corporation
- Cassa di Compensazione e Garanzia S.p.A.
- The Clearing Corporation of India
- Chicago Mercantile Exchange
- The Clearing Corporation
- The Depository Trust & Clearing Corporation
- Eurex Zurich AG
- Hong Kong Exchanges and Clearing Ltd.
- Japan Securities Clearing Corporation
- LCH.Clearnet Group Limited
- Korea Exchange
- National Securities Clearing Corporation Limited
- The Options Clearing Corporation
- Singapore Exchange Limited/The Central Depository (Pte) Limited
- S.D. Indeval
- Tokyo Stock Exchange

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