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**Response to EBA discussion paper entitled “*Draft Regulatory Technical Standards on the Capital Requirements for CCPs under the Draft Regulation on OTC Derivatives, CCPs and Trade Repositories*”**

ECC welcomes the possibility respond to EBA's discussion paper on draft regulatory technical standards on the capital requirements for CCP's under the draft regulation on OTC derivatives, CCP's and Trade Repositories as part of the current consultation process.

Comprehensive responses to the subject will be given by EACH which ECC as a member supports. Due to the specific nature of ECCs business we have however one additional concern we would like to raise:

The discussion paper states that additional capital is intended to cover market risk, credit risk and counterparty credit risk arising from investment activities and other non-clearing activities as well as operational risk arising from all activities of a CCP. The risk from clearing activities is covered by the financial resources in EMIR articles 39 and following and shall not be covered by additional capital.

The term “clearing activity” and “CCP” in EMIR seem to relate to financial instruments/financial markets. ECC also clears non-financial products (physical commodities). The market risk, credit risk and counterparty credit for these are covered by financial resources in an identical way as the market risk, credit risk and counterparty credit for financial products. Additional capital shall therefore not be required.

We would therefore suggest to clarify that the clearing of non-financial markets/instruments does not require additional capital for market risk, credit risk and counterparty credit if this risk is covered by financial resources according to EMIR articles 39 and following.