



Press release

Press enquiries: +34 697 449 639
press@IOSCO.org
www.IOSCO.org

Ref no: IOSCO/MR/18/2020

25 June 2020

CPMI-IOSCO publish a report on CCP auctions

The Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) have today published a report entitled [“Central counterparty default management auctions – Issues for consideration”](#).

The report outlines certain issues that central counterparties (CCPs) should consider regarding default management auctions processes. It also identifies practices that CCPs could consider in the development and improvement of default management auctions to address those issues.

CCPs have become increasingly important in recent years and play an important role in mitigating contagion in the event of a participant default. A CCP’s ability to effectively manage the default of its participants is essential to its resilience and can help reduce systemic risk. A default management auction is one of the tools that a CCP may use to transfer a defaulting participant’s positions to non-defaulting participant(s), thereby restoring the CCP to a matched book.

The report builds on [a discussion paper on CCP default management auctions](#) published in June 2019, after CPMI and IOSCO agreed in 2017, in response to the public consultation that resulted in the revised report on [Recovery of financial market infrastructures](#), that follow-up work should be conducted in the area of good practices for CCPs’ default management auctions. The responses to the discussion paper indicated considerable industry consensus on a variety of topics related to default management auctions. However, on a number of additional issues, further work among industry participants towards consensus is necessary for effective auction practices and procedures to be developed.

Today’s report is accompanied by a [cover note](#). CPMI and IOSCO will work with the industry to progress some issues related to CCP default management auctions over the next 24 months. At the end of this timeframe, CPMI and IOSCO intend to take stock of industry progress towards consensus on those issues as well as towards implementation of concrete measures (where relevant) and reconsider whether additional work, potentially including guidance, would be necessary.