

ARTICLE		
CONTENT	SUBTITLE	TITLE
<p><ol class="crrNumList"> <p>A CCP shall hold capital, including retained earnings and reserves, which shall be at all times more than or equal to the sum of:</p> <ol class="crrCharList"> the CCPâ€™s capital requirements for winding down or restructuring its activities calculated in accordance with Article 2; the CCPâ€™s capital requirements for operational and legal risks calculated in accordance with Article 3; the CCPâ€™s capital requirements for credit, counterparty and market risks calculated in accordance with Article 4; the CCPâ€™s capital requirements for business risk calculated in accordance with Article 5. A CCP shall have procedures in place to identify all sources of risks that may impact its on-going functions and shall consider the likelihood of potential adverse effects on its revenues or expenses and its level of capital. If the amount of capital held by a CCP according to paragraph 1 is lower than 110 % of the capital requirements or lower than 110 % of EUR 7,5 million (notification threshold), the CCP shall immediately notify the competent authority and keep it updated at least weekly, until the amount of capital held by the CCP returns above the notification threshold. <p>That notification shall be made in writing and shall contain the following elements:</p> <ol class="crrCharList"> the reasons for the CCPâ€™s capital being below the notification threshold and a description of the short-term perspective of the CCPâ€™s financial situation; a comprehensive description of the measures the CCP intends to adopt to ensure the on-going compliance with the capital requirements. </p>	Capital requirements	Article 1
<p><ol class="crrNumList"> A CCP shall divide its annual gross operational expenses by twelve in order to determine its monthly gross operational expenses, and multiply the resulting number by its time span for winding down or restructuring its activities determined according to paragraph 2. The result of this calculation is the capital required to ensure an orderly winding down or restructuring of the activities of the CCP. In order to determine the time span for winding down or restructuring its activities referred to in paragraph 1, a CCP shall submit to the competent authority for approval in accordance with that competent authorityâ€™s powers under Title III of Regulation (EU) No 648/2012 its own estimate of the appropriate time span for winding down or restructuring its activities. The estimated time span shall be sufficient to ensure, including in stressed market conditions, an orderly winding down or restructuring of its activities, reorganising its operations, liquidating its clearing portfolio or transferring its clearing activities to another CCP. The estimate shall take into account the liquidity, size, maturity structure and potential cross-border obstacles of the positions of the CCP and the type of products cleared. The time span for winding down or restructuring its activities used for the calculation of the capital requirement is subject to a minimum number of six months. A CCP shall update its estimate of the appropriate time span for winding down or restructuring its activities whenever there is a significant change in the assumptions underlying the estimation and submit this updated estimate to the competent authority for approval. For the purposes of this Article, operational expenses shall be considered in accordance with International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 or, in accordance with Council Directives 78/660/EEC<sup>1</sup> L 222, 14.8.1978, p. 11., 83/349/EEC<sup>2</sup> L 193, 18.7.1983, p. 1. and 86/635/EEC<sup>3</sup></p>	Capital requirements for winding down or restructuring	Article 2

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L 372, 31.12.1986, p. 1. or, in accordance with generally accepted accounting principles of a third country determined to be equivalent to IFRS in accordance with Commission Regulation (EC) No 1569/2007 OJ L 340, 22.12.2007, p. 66. or accounting standards of a third country the use of which is permitted in accordance with Article 4 of that Regulation, as applicable. CCPs shall use the most recent audited information from their annual financial statement.

- A CCP shall calculate its capital requirements for operational risk including legal risk referred to in Article 1 using either the Basic Indicator Approach or Advanced Measurement Approaches as provided in Directive 2006/48/EC subject to the restrictions provided in paragraphs 2 to 7.
- A CCP may use the basic indicator approach in order to calculate its capital requirements for operational risk in accordance with Article 103 of Directive 2006/48/EC.
- A CCP shall have in place a well-documented assessment and management system for operational risk with clear responsibilities assigned for this system. It shall identify its exposures to operational risk and track relevant operational risk data, including material loss data. This system shall be subject to regular review carried out by an independent party possessing the necessary knowledge to carry out such review.
- A CCP operational risk assessment system shall be closely integrated into the risk management processes of the CCP. Its output shall be an integral part of the process of monitoring and controlling the CCP's operational risk profile.
- A CCP shall implement a system of reporting to senior management that provides operational risk reports to relevant functions within the institutions. A CCP shall have in place procedures for taking appropriate action according to the information within the reports to management.
- A CCP may also apply to its competent authority for permission to use Advanced Measurement Approaches. The competent authority may grant the CCP the permission to use Advanced Measurement Approaches based on its own operational risk measurement systems in accordance with Article 105 of Directive 2006/48/EC.
- CCPs using the Advanced Measurement Approaches as specified in paragraph 6 for the calculation of their capital requirements for operational risk shall hold capital which is at all times more than or equal to 80 % of the capital required using the basic indicator approach according to paragraph 2.

Capital requirements for operational and legal risks

Article 3

- A CCP shall calculate its capital requirements referred to in Article 1 as the sum of 8 % of its risk-weighted exposure amounts for credit and counterparty credit risk and its capital requirements for market risk calculated in accordance with Directives 2006/48/EC and 2006/49/EC, subject to the restrictions provided in paragraphs 2 to 5.
- For the calculation of capital requirements for market risk which is not already covered by specific financial resources as referred to in Articles 41 to 44 of Regulation (EU) No 648/2012, a CCP shall use the methods provided for in Annexes I to IV to Directive 2006/49/EC.
- For the calculation of the risk-weighted exposure amounts for credit risk which is not already covered by specific financial resources as referred to in Articles 41 to 44 of Regulation (EU) No 648/2012, a CCP shall apply the Standardised Approach for credit risk provided for in Articles 78 to 83 of Directive 2006/48/EC.
- For the calculation of the risk-weighted exposure amounts for counterparty credit risk which is not already covered by specific financial resources as referred to in Articles 41 to 44 of Regulation (EU) No 648/2012, a CCP shall use the Mark-to-market Method provided for in Annex III, part 3 to Directive 2006/48/EC and the Financial Collateral Comprehensive Method applying supervisory volatility adjustments provided for in Annex VIII, Part 3 to Directive

Capital requirements for credit risk, counterparty credit risk and market risk which are not already covered by specific financial resources as referred to in Articles 41 to 44 of Regulation (EU) No

Article 4

	2006/48/EC.	Where all the conditions referred to in Articles 52 and 53 of Regulation (EU) No 648/2012 are not fulfilled and where a CCP does not use its own resources, the CCP shall apply a risk weight of 1250 % to its exposure stemming from contributions to the default fund of another CCP and a risk weight of 2 % to its trade exposures with another CCP.	648/2012	
	<ol class="crrNumList"> The CCP shall submit to the competent authority for approval in accordance with that competent authority's powers under Title III of Regulation (EU) No 648/2012 its own estimate of the capital necessary to cover losses resulting from business risk based on reasonably foreseeable adverse scenarios relevant to its business model. The capital requirement for business risk shall be equal to the approved estimate and shall be subject to a minimum amount of 25 % of its annual gross operational expenses. For the purposes of this Article, gross operational expenses shall be considered in accordance with Article 2(4).		Capital requirements for business risk	Article 5
	<div class="crrArticle">This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</div>			Article 6