

**Reply to ESCB/CESR Consultation Paper on Draft Recommendations for Central Counterparties 1-2, 4-8, 14 and 15 revised for CCPs clearing OTC derivatives**

Dear Sirs,

EFAMA<sup>1</sup> is grateful for the opportunity to comment on the ESCB/CESR Consultation Paper on Draft Recommendations for Central Counterparties, revised for CCPs clearing OTC derivatives.

We are actively participating in the discussions led by the European Commission to ensure that clearing and settlement of CDSs starts on one or more EU Central Counterparties during 2009, and fully support the Commission's goal. Use of CCPs will greatly benefit the investment management industry by significantly reducing counterparty risk and standardizing clearing and settlement.

In the course of implementation, however, it is important that robust solutions be implemented by CCPs in particular with regard to risk management, collateral management, pricing and default procedures. Transparency of CCP rules to all users and potential users is also essential.

We believe therefore that the revised Draft Recommendations are a welcome step towards the implementation of CCP clearing and settlement of CDSs, insofar as they increase the protection of non-clearing members of CCPs and transparency towards the market as a whole.

We encourage both the ESCB and CESR to remain vigilant and follow closely the discussions regarding the setting up of EU CCPs for CDSs, in order to ensure a fair treatment of all users.

We remain at your complete disposal should you require any clarification.

Yours sincerely,

Peter De Proft  
Director General

Brussels, 15 April 2009

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<sup>1</sup> The European Fund and Asset Management Association (EFAMA) is the representative association for the European investment management industry. EFAMA represents through its 24 member associations and 44 corporate members about EUR14 trillion in assets under management of which EUR 6.1 trillion was managed by around 53,000 investment funds at end 2008. For more information, please visit [www.efama.org](http://www.efama.org).