



IMF LIVE

INTERNATIONAL MONETARY FUND

Search



ABOUT

RESEARCH

COUNTRIES

CAPACITY DEVELOPMENT

NEWS

VIDEOS

DATA

PUBLICATIONS

COVID-19

IMF WORKING PAPERS

Central Counterparties: Addressing their Too Important to Fail Nature

Author/Editor:[Froukelien Wendt \(/en/Publications/Publications-By-Author?author=Froukelien++Wendt&name=Froukelien+Wendt\)](/en/Publications/Publications-By-Author?author=Froukelien++Wendt&name=Froukelien+Wendt)**Publication Date:**

January 27, 2015

Electronic Access:[Free Download \(/media/Websites/IMF/imported-full-text-pdf/external/pubs/ft/wp/2015/_wp1521.ashx\)](/media/Websites/IMF/imported-full-text-pdf/external/pubs/ft/wp/2015/_wp1521.ashx). Use the free [Adobe Acrobat Reader \(http://www.adobe.com/acrobat\)](http://www.adobe.com/acrobat) to view this PDF file

Disclaimer: This Working Paper should not be reported as representing the views of the IMF. The views expressed in this Working Paper are those of the author(s) and do not necessarily represent those of the IMF or IMF policy. Working Papers describe research in progress by the author(s) and are published to elicit comments and to further debate

Summary:

Central counterparties (CCPs) can offer significant benefits to a market. However, CCPs are also highly interconnected with financial institutions and markets and therefore too important to fail. The increased volumes cleared through CCPs and their increasing global scope, in particular in the OTC derivatives market, make it even more important that systemic risks related to CCPs are managed. This paper argues that the current set of international policy measures does partly address these risks, but that alternative policy measures are needed to reduce remaining systemic risks. For example, the paper recommends network analysis to be conducted by CCPs and authorities to gauge potential losses and suggests a common international approach to central bank services to help reduce the dependency of CCPs on services provided by commercial banks.

Series:

Working Paper No. 2015/021

Subject:[Asset and liability management \(/en/Publications/Publications-By-Subject?subject=Asset and liability management\)](/en/Publications/Publications-By-Subject?subject=Asset+and+liability+management) [Banking \(/en/Publications\)](/en/Publications)

ENGLISH

Publication Date:	January 27, 2015
ISBN/ISSN:	9781475572933/1018-5941
Stock No:	WPIEA2015021
Pages:	25

Please address any questions about this title to publications@imf.org (<mailto:publications@imf.org>)