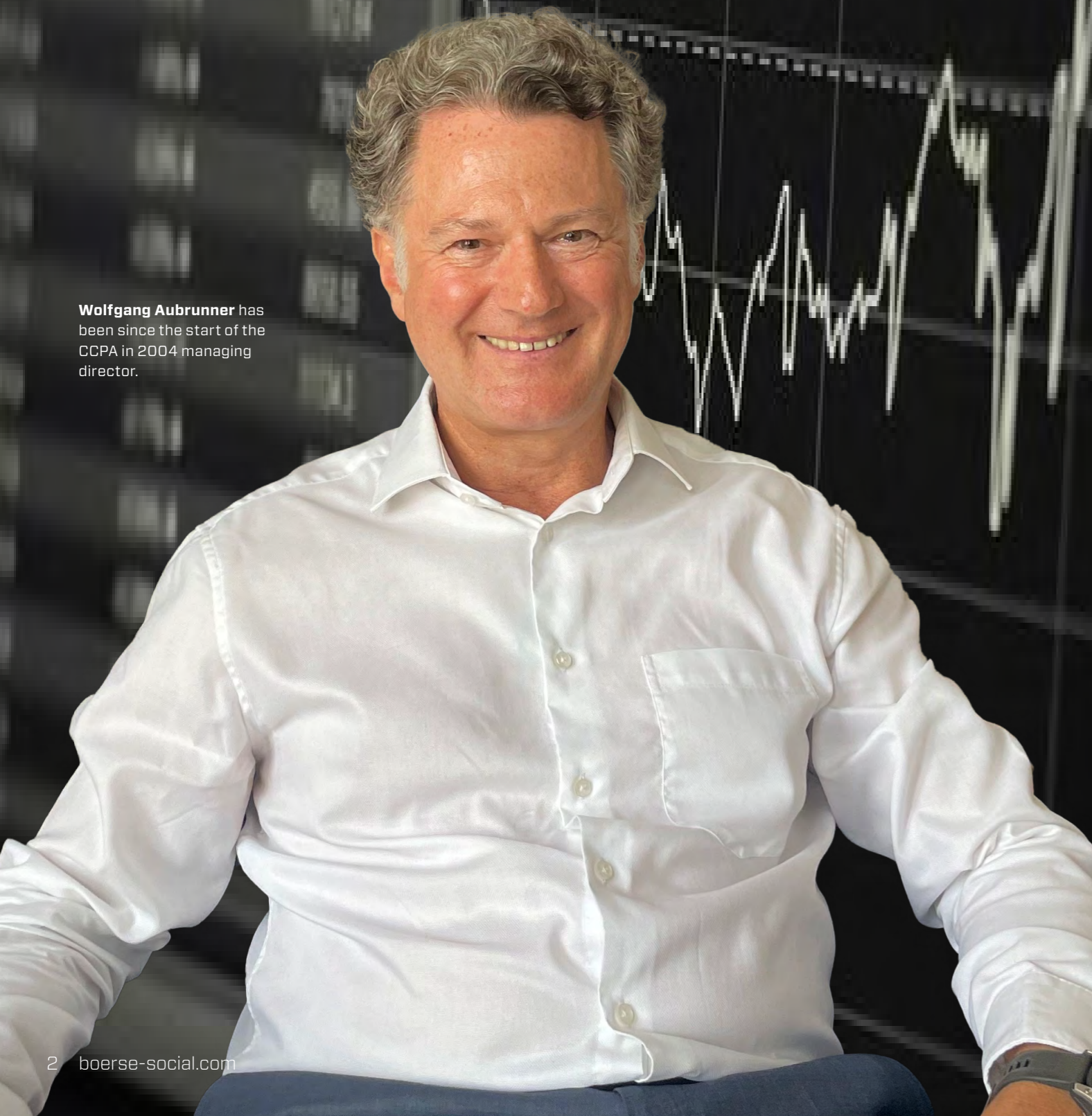


20 YEARS CCP AUSTRIA

Wolfgang Aubrunner has been since the start of the CCPA in 2004 managing director.



On September 19th CCPA celebrates in the Vienna Stock Exchange the first 20 years. And we also can celebrate that there have been zero cases of damage so far. Not at Lehman, not at the Covid crash and not at the turmoil on the energy market in 2022. The CCPA MDs Wolfgang Aubrunner and Kalina Jarova Müller, our country's top clearers, provide insights in this cover story.

Text: Christian Drastil Photos: audio-cd.at

It was a very hot day in July when three recordings were made in the "Vienna City OeKB branch office" for the Börsepeople podcast on audio-cd.at: OeKB board member Angelika Sommer-Hemetsberger and the two CCPA bosses Wolfgang Aubrunner and Kalina Jarova Müller. CCPA? Yes, this is „our“ clearinghouse in Austria and the partner against whom every order on the securities and energy market in Vienna is matched. In 2024 the CCPA will celebrate its first 20 years, it has been a successful 20 years era. Aubrunner has been managing director since the start, Jarova Müller has also been there since the start and has been on the management board since 2019. The personal careers of both of them can be heard in the podcasts (linked on the following pages). And Angelika Sommer-Hemetsberger, who holds 50 percent of the shares with OeKB (the other 50 have belong to the Vienna Stock Exchange since the start) is satisfied: „You can rely on the CCPA in every market phase.“ And that's what's most important in this business.

Founding story. The CCPA was founded in 2004 by merging the cash market clearing, which has been carried out by the Oesterreichische Kontrollbank AG as the settlement agent for cash pro-

ducts since 1949, and the futures market clearing, which has been carried out by the Wiener Börse AG since 1991. „The capital market was unsettled after the dot-com bubble; in Austria there was a CCP, the ÖTOB.“ However, international trading participants were unfamiliar with the arrangement processing for exchange transactions in securities at the time“, remembers Aubrunner...

And so the CCPA was started (also with the support of the then capital market officer Richard Schenz), new contracts were made with all market participants and also a Rulebook created. This start took place with only 100,000 euros in share capital, which OeKB and the Vienna Stock Exchange contributed. Since then, every securities order, regardless of whether it is a purchase or a sale, has been processed against the CCPA,

which means that the counterparty risk (i.e. that the counterparty to the order can also pay or deliver) has been eliminated. „The interest right at the start of 2004 was great,“ adds Jarova Müller, the boom of the century was underway on the Vienna Stock Exchange, in which the ATX climbed from just over 1,000 points in 2002 to 5,000 points in 2007.

First crash test. The mega challenge came in 2008 with Lehman. „Lehman was of course a customer,“ says Aubrunner, who still remembers September 16, 2008 clearly. „We came into the office and there was a notice of termination on the table. Large positions were open. How do we deal with this? We purchased the pieces that were available for purchase and also carried out the selling orders.“ Since there was



You can rely on the CCPA in every market phase. We are proud co-owners.

Angelika Sommer-Hemetsberger, OeKB (holds 50%, 50% WBAG)



We are risk managers, but unlike an insurance company, we do not assume the risk. We have to use the systems to ensure that nothing happens.

Kalina Jarova Müller

sufficient collateral and the insolvent participant had more buy orders in the portfolio and the prices fell sharply, the bottom line was that there was no damage. "Incidentally, this is not the case for any CCP in Europe," adds Aubrunner. The CCP idea had therefore passed its maturity test. „But of course a process of stricter regulation started back then," says Jarova Müller, who was always the risk manager.

EMIR as a new era. The EU's response was called the European Markets Infrastructure Re-

gulation (EMIR), CCPA received approval in 2014 and has since been subject to supervision by the national supervisory authority Financial Market Authority (FMA). In order to meet the ongoing requirements of regulations such as EMIR, IOSCO etc. for CCPs and to represent their position in the European environment, CCPA has become a member of the European Association of Clearing Houses (EACH; www.eachccp.eu) and is represented in the various working groups (Legal, Policy, Risk). "In 2014, the-

re was an accompanying capital increase from 100,000 to almost 12 million euros, and both owners went along with it," says Aubrunner. We are now at EMIR 3, but that is a different story. Aubrunner: „We do see a bit of regulatory madness, but we are facing these challenges."

That too was manageable. And then there was Brexit and the pandemic. Jarova Müller: „Brexit was a special crisis. Suddenly a large part of the clearing volume was outside the EU. This meant that we briefly lost all UK participants until they could be reconnected with entities from continental Europe. This also triggered an adjustment of EMIR." And then Covid. Aubrunner: "The crash days of 2020 brought record daily volumes of more than one billion in turnover per day, but nothing happened there either."

In 2021 the energy came. A year later, in 2021, the CCPA also took over the clearing and risk management of the EXAA energy exchange, and the stress test promptly followed with the start of the Ukraine war. „The connection came at just the right time, we were able to prevent a lot of things," says Aubrunner. And Jarova Müller, who was already working in the energy sector before the CCPA was founded, explains the differences to equity clearing: „Financial processing is similar. The CCPA only makes

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Kalina Jarova Müller also participated since the start of CCPA and was promoted to management in 2019.

EXAA a cash market, day ahead. The risk is manageable, there are no long-term derivatives, but physics comes into play. In the securities sector there is delivery against payment." However, electricity is a commodity that cannot be stored, delivery against payment is therefore not possible and the CCP has to secure it differently.

Figures & Facts. On average, around 30,000 transactions are carried out on the Vienna Stock Exchange every day, with an average volume of 250 million euros. People are proud of the group of members. „Unfortunately, in Austria there are only Erste and Raiffeisen that trade large volumes," says Aubrunner, the only small catch. In the energy sector, utilities from Austria as well as international trading companies are involved and work is being

done to win banks over to the clearing service in the energy market.

Future. In the foreseeable future, T+1 settlement is expected to come, as in the USA (T+2 has been around since 2016). In the electricity sector, people are already looking forward to cross-border settlement for a Dutch trading platform for intraday electricity transactions, the ETPA - there is one too Chance for more. Due to their important role as market infrastructures, CCPs will continue to be the focus of regulatory audits in the coming years, explains Jarova Müller. Stress tests for the CCPA are carried out every two years by ESMA and digital resilience (keyword: cyber risks) is also pretty hot according to the EU's DORA regulation. So it definitely won't be boring at the CCPA anniversary.



Protective shield for investors and taxpayers in all stock market weathers. On average, there are 30,000 transactions every day on the Vienna Stock Exchange.