

CSDs: Euroclear Finland (Finland), ISD (Iceland), VP Securities (Denmark),
Euroclear Sweden (Sweden)

Date: 04 Oct 2011

SMI Markets: Denmark, Finland, Iceland, Sweden

CMIRR Markets: Denmark, Finland, Iceland, Sweden

CCP Interoperability in Nordic Markets

NASDAQ OMX Nordic announced today, 4 October 2011, that it aims to introduce CCP clearing interoperability model by the end of April 2012 in cooperation with EMCF, EuroCCP and SIX x-clear. Interoperability will allow members at NASDAQ OMX Nordic exchanges to choose between multiple clearing houses to clear and settle their trades.

Please note that the availability of competitive CCP services at NASDAQ OMX markets by April 2012 is still conditional on regulatory consent or approvals from the regulators of NASDAQ OMX Nordic exchanges and the involved CCP parties.

More information can be found in the official announcement here: [NASDAQ OMX targets April 2012 timeline for competitive Central Counterparty clearing in the Nordics](#).

CSD Risk Impact

Euroclear Finland (Finland)

CSD Rating: AA-
CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk
Current Rating = AA-
Flash Impact = Positive

Impacted Risk Type: Counterparty Risk
Current Rating = AA
Flash Impact = On Watch

Interoperability between CCPs allows participants to choose the CCP they prefer to use, thus increasing competition. However, it has not been proven that CCP interoperability is effectively improving the risk intermediation. Therefore the impact is "on Watch" for Counterparty Risk. Besides, CCP interoperability enables cross netting of trades for participants that use the same CCP for transactions executed on different trading venues, which has a positive impact on Liquidity Risk.

ISD (Iceland)

CSD Rating: A+
CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk
Current Rating = A
Flash Impact = Positive

Impacted Risk Type: Counterparty Risk
Current Rating = A
Flash Impact = On Watch

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different trading venues, which has a positive impact on Liquidity Risk.

VP Securities (Denmark)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = AA-

Flash Impact = On Watch

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Euroclear Sweden (Sweden)

CSD Rating: AA

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = AA

Flash Impact = On Watch

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Market Information Impact

Denmark

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Finland

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Iceland

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Sweden

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Denmark

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = AA-

Flash Impact = On Watch

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Finland

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = AA-

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = AA

Flash Impact = On Watch

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Iceland

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A-

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A-

Flash Impact = On Watch

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Sweden

Market Rating: AA

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = AA

Flash Impact = On Watch

Interoperability between CCPs allows participants to choose the CCP they prefer to use, thus increasing competition. However, it has not been proven that CCP interoperability is effectively improving the risk intermediation. Therefore the impact is "on Watch" for Counterparty Risk. Besides, CCP interoperability enables cross netting of trades for participants that use the same CCP for transactions executed on different trading venues, which has a positive impact on Liquidity Risk.

Related Flash: [Interoperability between Four European CCPs, 17/08/2011 \(click to view\)](#)

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