The Discussion Paper		
Number	Question for consultation	SEC Thailand's comments
Overarching questions		
1	Are there areas in the context of CCP NDLs where further guidance under the PFMI might be helpful? If so, what are the potential areas where further guidance might be most helpful?	No further comments.
2	Are there any additional points of consideration or practices, in addition to those mentioned in this discussion paper or in the PFMI and existing guidance, that would help CCPs effectively and comprehensively address losses from non-default events? Are there areas that require additional clarity from authorities? If so, what are they?	No further comments.
3	Are there particular challenges that CCPs face in planning for an orderly wind-down in a NDL scenario? Are there means to motivate further progress in orderly wind-down planning?	There will be challenges when it comes to planning an orderly wind-down if there is only one CCP in the country. If the only existing CCP is responsible for an orderly wind-down, there will be no other agency to serve as CCP.
4	Would a similar review of practices in the context of NDLs for FMIs other than CCPs be helpful? Would further guidance under the PFMI be helpful in this context?	Yes, it would definitely help if this also apply to other FMIs as well such as CSD or Payment.
Identifying NDL scenarios, quantifying NDLs and assessing the sufficiency of resources (Section 2)		
5	How can a CCP identify potential NDL scenarios comprehensively as well as with an appropriate degree of granularity?	No further comments.
6	Given that a CCP's efforts to prevent losses from non-default events may fail, what are effective approaches to prepare for and address resulting losses, in particular from low-probability, high impact events?	We agree with all the approaches that have been mentioned in this paper. Nevertheless, CCPs should take them into account and consider reviewing the scenario in accordance with the current situation.

7	Are approaches such as sensitivity analysis, scenario simulations, drills or stress-testing analysis useful for quantifying resource needs and assessing adequate NDL coverage? If so, what are potential obstacles hampering progress in this area and what could be possible avenues for reducing those obstacles?	Yes, all of the approaches are useful for quantifying resource need and assessing adequate NDL coverage. Nonetheless, one of the major obstable is the limited amount of existing data that makes impact assessments possibly biased. Consequently, additional actions such as sharing and exchanging experiences between CCPs should be considered, as it will allow more data to be tested.
8	Are there particular types of NDL scenario that CCPs could consider to help assess potential resource needs and coverage for NDLs? (eg stressed business and operational risk scenarios extrapolated from past events, NDL scenarios exacerbated by wider macroeconomic stress, or other hypothetical NDL scenarios)?	No further comments.
9	How and to what extent can the potential simultaneous occurrence of default and non-default related events be taken into account?	The potential simultaneous occurrence of default and non-default related events such as cyber attacks on the clearing members (bank and settlement) should be taken into account.
10	What factors, in addition to those suggested in the PFMI, might a CCP helpfully consider when calculating the amount of liquid net assets funded by equity that is sufficient to implement its recovery and orderly wind-down plans? How can a CCP effectively incorporate its general business risk profile and the length of time required to achieve recovery or orderly wind-down into this analysis?	No further comments.
11	Given the limited availability of historical data on severe NDL events, what do you consider the most important sources of information in developing plans to address NDLs, particularly for potential recovery situations (eg internal expertise, key stakeholders such as clearing participants and service providers, external market experts, relevant authorities, frameworks and practices in place for other types of financial institution)?	No further comments.

12	Do you have any suggestions for how the clearing industry could leverage loss data from other industries or collaborate to share anonymised loss data?	Collaborating and sharing knowledge of the loss scenario and how recovery tools have been used in other industries might be helpful to the clearing industry.
13	What key measures can help to ensure that capital replenishment could be achieved in a timely and effective manner? Does the clear definition and testing of processes to obtain backup funding from affiliates or external sources underpin the credibility of that funding? How do you assess the current availability of committed or legally binding funding arrangements?	No further comments.
14	What role should insurance play for NDL, considering potential uncertainties about coverage, pay-out delays and performance risk? Are there certain types of NDL risk for which insurance may be a more appropriate loss-absorbing resource than for other types of NDL risk?	No further comments.
15	What practices might improve CCPs' planning for an orderly wind-down necessitated by NDLs?	The concept of disclosure and regular testing with stakeholders might improve CCPs' planning for an orderly wind-down in the NDL context.
Achieving operational effectiveness (Section 3)		
16	Are there any additional notable practices that could promote the operational effectiveness of plans to address NDLs?	No further comments.
17	What approaches might be helpful to ensure that relevant third parties (such as service and liquidity providers) fully understand and are prepared for their potential role in addressing NDLs?	To ensure that relevant third parties will be fully understood and prepared for NDLs, CCPs should have a regular review and drill session together with their third parties.
18	What are the essential elements of appropriate due diligence vis-à-vis relevant third parties on which CCPs would expect to rely in an NDL event?	No further comments.
19	What are the key factors and constraints that impact the choice and order of different tools for the various types of NDL scenario?	The order in which any tools for NDL's impacts should be used should be determined by which tools will return CCP to service in the shortest amount of time.
20	What technological tools should be developed to promote the operational effectiveness of plans to address NDLs?	No further comments.
Reviewing and testing plans for NDLs (Section 4)		

21	Are there additional notable practices for reviewing and testing plans to address NDLs?	No further comments.
22	What challenges are there to achieving the goal of increasing the involvement of additional stakeholders in different stages of review and testing of plans to address NDLs?	The challenge at this stage is that some CCP review or testing plans may be confidential to the stakeholder. Therefore, they could not be fully involved or give relevant opinions to the CCP.
23	Are multi-CCP crisis management drills an effective tool for testing preparedness to address NDLs? Are there any barriers to effectively conducting this type of exercise? What role should authorities play in supporting these exercises?	No further comments.
Providing effective governance, transparency and engagement with participants and authorities (Section 5)		
24	Are there additional notable practices for providing effective governance, transparency and engagement with participants and authorities in the context of NDLs?	No further comments.
25	What are the most important elements of appropriate processes and governance arrangements for rule-based loss allocation to support clearing members in anticipating and preparing for potential exposures?	Engagement and commitment between CCP and clearing members are the most important elements in this context.