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# Project Clearing Bourse de Luxembourg

Members Presentation

October 9th, 2007

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Structures and Organisations : Cash Market

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Road-map : Project's macro-planning

External testing outskirts

Legal & Membership road map

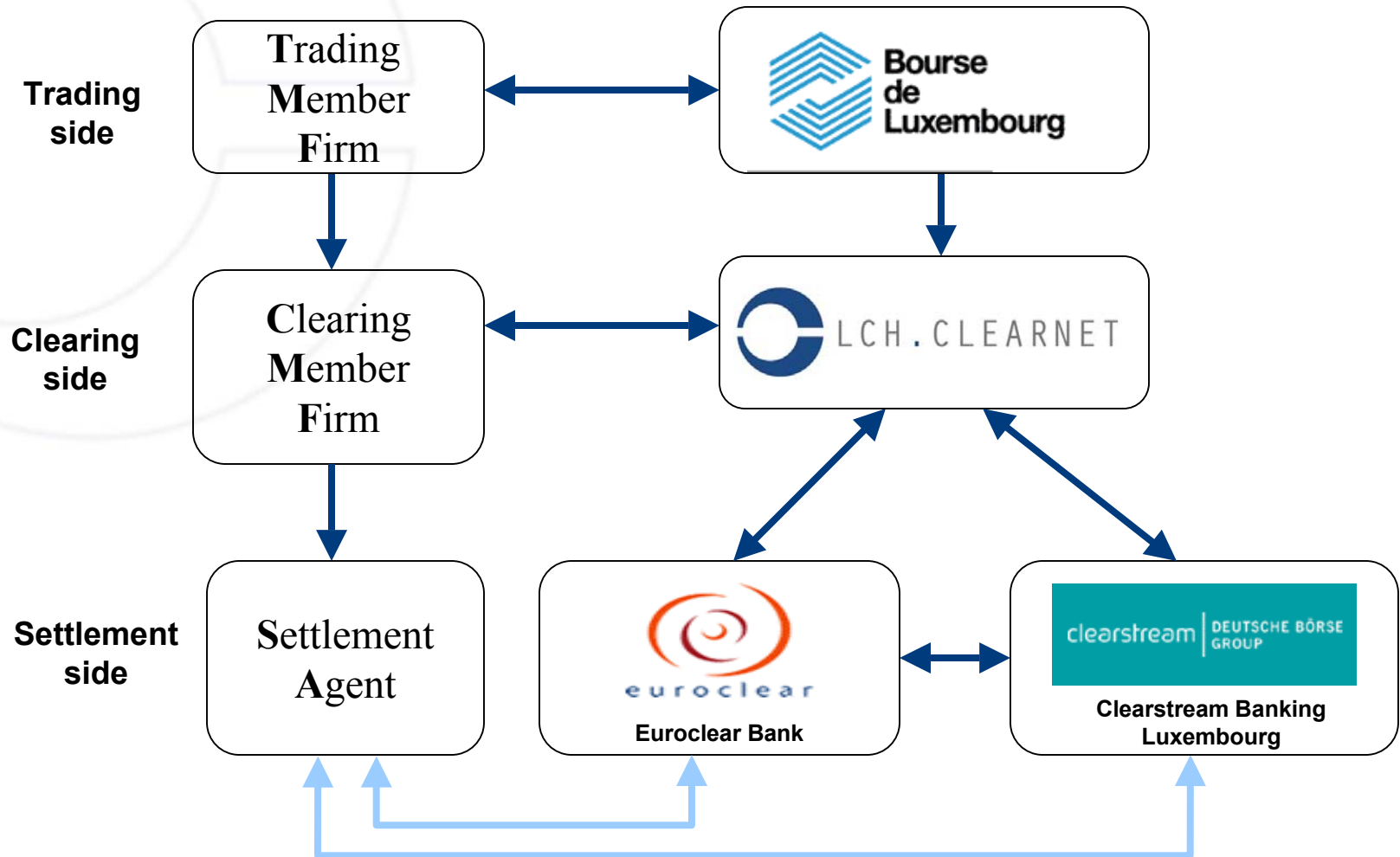
Legal & Membership road map : Clearing Member (Approval and Extension)

Legal & Membership road map : Membership process for TMF

Questions and Answers

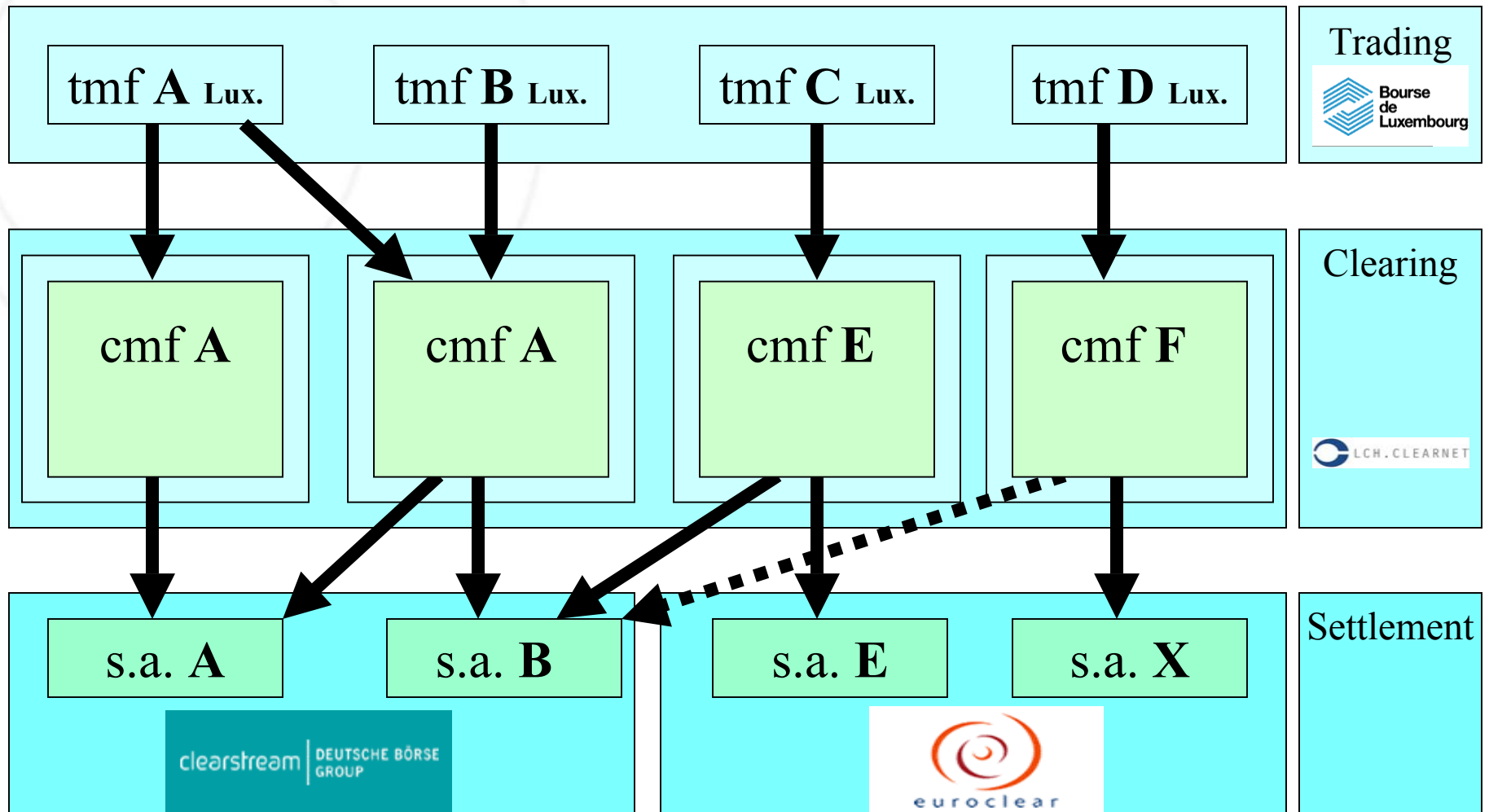
# Structures and Organisations

## Cash Market



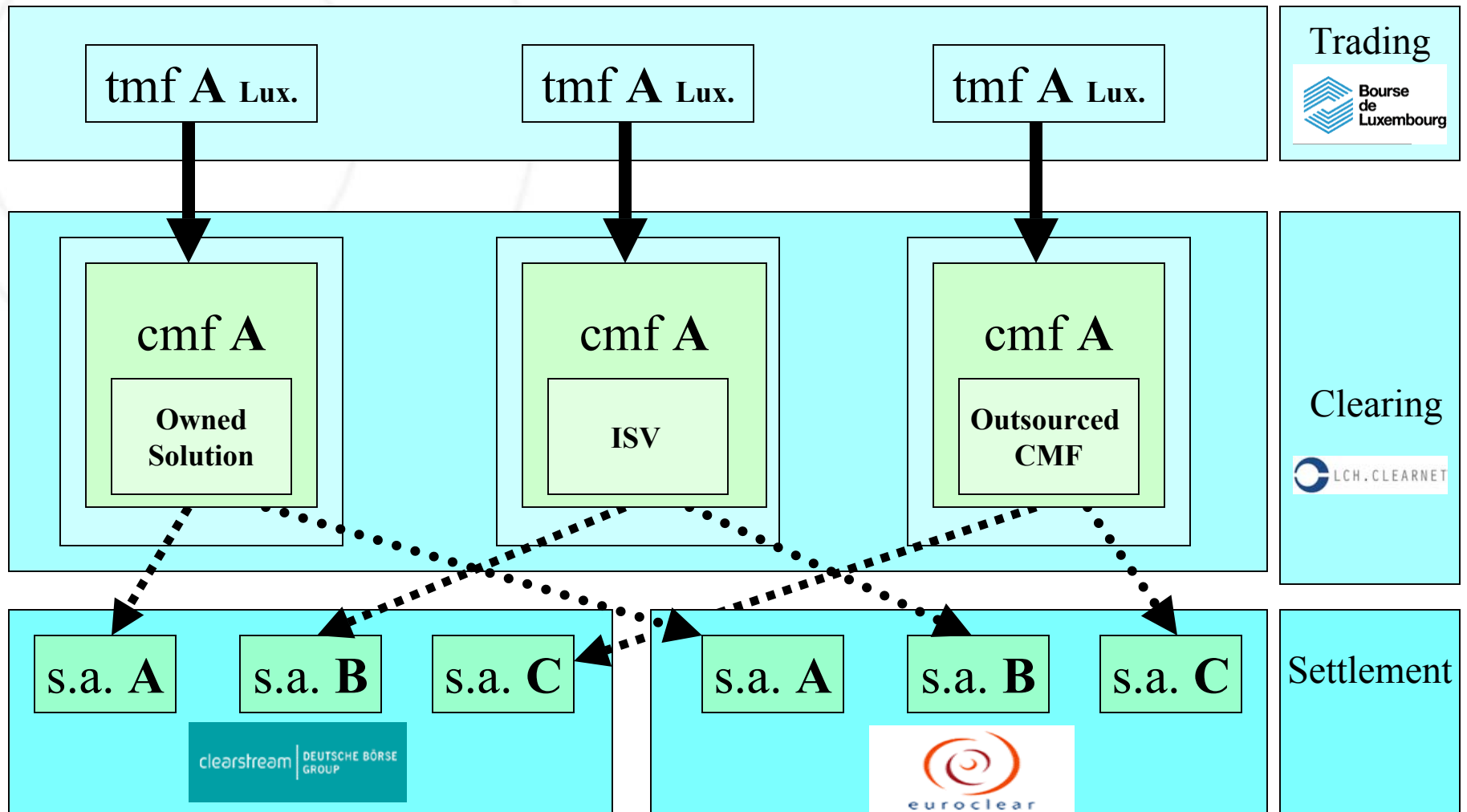
# Structures and Organisations

## Examples 1/2



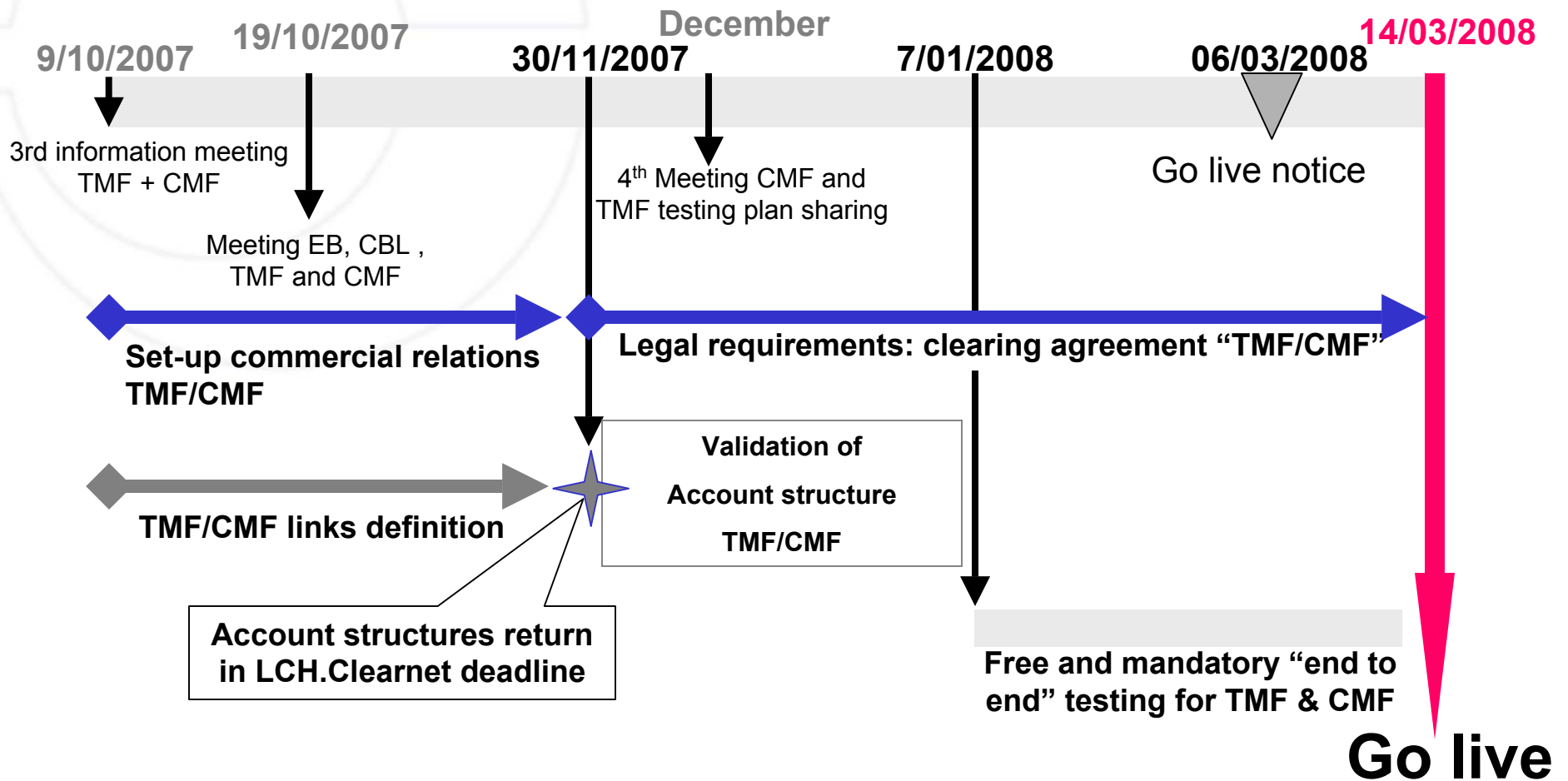
# Structures and Organisations

## Examples 2/2



# Road-Map

## Project's Macro-Planning



# Members testing outskirts

## Work Basis for workshops

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- From 7th January to 7th March.
- « End To End » testing.
- Testing is mandatory for all trading and clearing members.
- Readiness will be subjected upon given functional cases.
- Sets of values will be dedicated for buying or selling.
- Bourse de Luxembourg will be counterparty in buying or selling positions.

# Legal and Membership road-map

## LCH.Clearnet's membership criteria for settlement in Euroclear-Bank and Clearstream Banking Luxembourg

- Have a technical access to Settlement systems.
- Have administrative conditions set up.

Two solutions are possible :

- With a direct access in Clearstream and Euroclear-Bank :
  - For “own account” to provide a Power of Attorney to the attention of LCH.Clearnet SA.
- With an indirect access in Clearstream and Euroclear-Bank :
  - For “third party account”: provide a Settlement Agent agreement covering the market and the corresponding power of attorney to the attention of LCH.Clearnet SA.

Definition:

- ✓ Power of attorney: document authorising LCH.Clearnet to debit & credit CMF's account.
- ✓ Own account: the participant holds an account in the CSD to fulfil its Delivery obligations.
- ✓ Third Party account: the participant does not hold any account, therefore he will use a third party which holds an account in a CSD.



# Legal and Membership road-map

## Clearing Member (Approval and Extension)



DEFINITION OF THE PARTICIPANTS LIST

**REGULATORY SUPERVISION**

No request for Comfort Letter

Fill in and dissemination of the configuration elements internally

**December**  
Configuration on the Test platform

Technical validation

Legal validation of the payment and settlement arrangement

Dissemination of the official notice

**14<sup>th</sup> march**

**STARTING OPERATIONS**

*Clearing tests on homologation platform*

**Step 1**

Send of a formal letter to LCH Clearnet SA to be on BDL segment

**Step 2**

Send to LCH Clearnet SA payment and settlement arrangement including account structure

**30<sup>th</sup> November**

**TECHNICAL CONNECTION**

On the Clearing system C21

**Step 3**

Lift of all disqualifying conditions

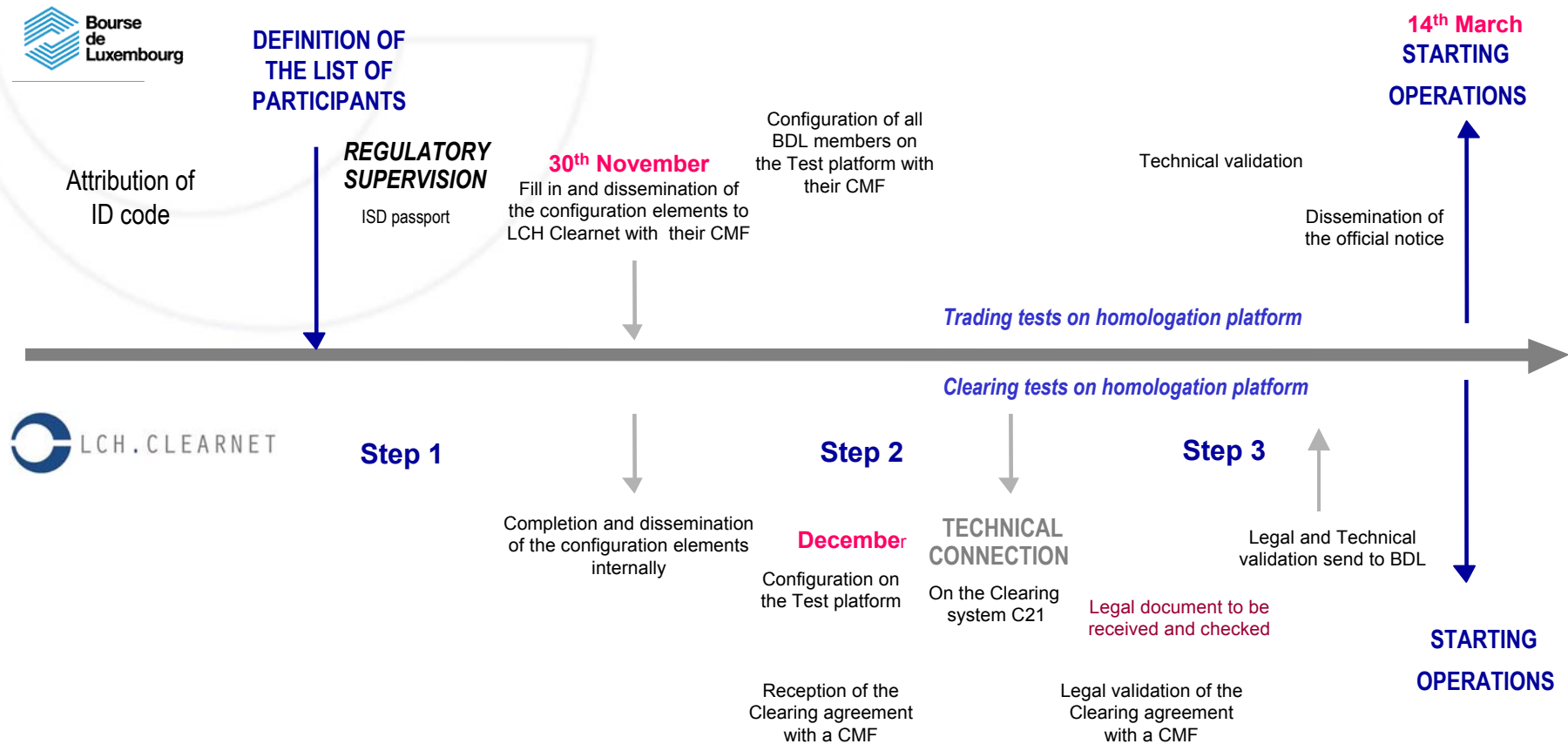
**STARTING OPERATIONS**

**EXISTING CLEARING MEMBERS**

# Legal and Membership road-map

## Membership process for TMF

### Set up schedule for existing BdL Trading Members



# Next step

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- 19<sup>th</sup> October, meeting with ICSDs, CMFs and TMFs to present and explain functional and technical definitions.
- Member testing phase:
  - November, workshop between Bourse du Luxembourg, LCH.Clearnet and pilot CMFs and TMFs to prepare the testing phase.
  - December, meeting with all CMFs and TMFs to share the testing approach.
- CMFs to send LCH.Clearnet:
  - Letter requesting for membership extension on Luxemburg market.
  - The new account structures.
  - Project's contacts.
  - Volunteer for testing phase workshop.
- LCH.Clearnet to publish the Service Offer in November.

# Questions and Answers

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