

RULES AND REGULATION-LCH.Clearnet SA  
**Notice 2013-096**

12 December 2013

**TIMEFRAMES APPLICABLE TO COLLATERAL DEPOSITS/RETURNS AND OTHER NOTIFICATIONS PURSUANT TO INSTRUCTIONS IV.4-1, IV.3-1, IV.3-2 AND V.4-2.**

<b>Publication Date</b>	December 12th 2013
<b>Enforcement Date</b>	December 13th 2013
<b>Markets</b>	Cash, Derivatives, Fixed Income markets and Triparty Repos clearing service
<b>Notice repealed</b>	This Notice supersedes Notice n°2012-008 which was also superseding Notice 2009-030.

### Chapter 1

**Timeframes applicable to Collateral deposits/returns and other notifications pursuant to Instructions IV.4-1 related to Collateral accepted to meet Margin requirements.**

Pursuant to Article 4.4.0.6 of the Rule Book, Clearing Members must indicate to LCH.Clearnet SA, as the case may be, by fax, by email or by any other mean, to which market or clearing service and to which Collateral Account (either a House Collateral Account or a Client Collateral Account, the latter being either a Collateral Account within an Individual Segregated Account Structure (ISA) or within a Omnibus Segregated Account Structure (OSA)), such Collateral shall be allocated.

#### **Article 1.1 - Central Bank guarantee**

In order for central bank guarantee to be posted on the situation report on D day and to become Collateral covering Initial and Variation Margin requirements, LCH.Clearnet SA must receive from the National Bank of Belgium and/or from the Dutch National Bank, as the case may be, on D before 8.30 am CET, a confirmation that the latter guarantees the amount corresponding to such Margin requirements.

#### **Article 1.2 - Collateral in the form of Securities**

Notifications of movements (deposit or return) of Collateral composed of Securities for value on day D must be received by LCH.Clearnet SA on D-1 before 16.00 CET.

In order for Securities to be posted on the situation report on D and to become Collateral, they must be credited on LCH.Clearnet SA's account held at the central securities depository on D before 11.45 am CET.

The Securities posted as Collateral shall be taken into account by LCH.Clearnet SA and revaluated at their real time price at the Intra-day calculation session, if they are credited on LCH.Clearnet SA's account held at the central securities depository one hour before the beginning of the said Intra-day calculation session and before 11.45 am CET.

### **Article 1.3 - Corporate events on securities held as collateral**

If the Clearing Member requests the return of Securities, such request shall be sent to LCH.Clearnet SA by fax or by email and shall be received before 16.00 CET at:

- D-2 for BTFs, BTANs, OATs, Bunds, Gilts which are returned at D-1, and;
- D-3 for T-bills, Spanish debt Securities and Portuguese debt Securities which are returned at D-2.

### **Article 1.4 - Collateral in the form of cash**

#### **Cash in EURO transferred as Collateral in order to cover Initial Margin calls:**

On the basis of the relevant treasury report issued before such Initial Margin call and in accordance with relevant enforceable Power of Attorneys granted by Clearing Members to LCH.Clearnet SA, relevant amounts of cash in Euros aiming at covering Initial Margin requirements are debited on D as from 8.30 am CET until 9.00 CET (with an information period between 8.00 am CET and 8.30 am CET) from relevant Clearing Members' TARGET 2 Accounts held directly or indirectly in the central banks, as listed in an Instruction, and then transferred on to LCH.Clearnet SA's TARGET 2 Account held in Banque de France.

#### **Cash in EURO transferred as Collateral to cover Intraday Margin calls:**

On the basis of the relevant actualised treasury situation at the time of such Intraday Margin call calculation and in accordance with relevant enforceable Power of Attorneys granted by Clearing Members to LCH.Clearnet SA, relevant amounts of cash in Euros aiming at covering Intraday Margin requirements are debited between 14.50 CET and 14.55 CET (with an information period between 14.25 CET and 14.50 CET) from relevant Clearing Members' TARGET 2 Accounts held directly or indirectly in the central banks, as listed in an Instruction, and then transferred on to LCH.Clearnet SA's TARGET 2 Accounts held in Banque de France.

LCH.Clearnet SA may also proceed to additional Intraday Margin calls, as the case may be and as deemed appropriate.

**Cash in other currencies than Euro** (namely in USD and GBP) posted as Collateral on the situation report on D must be credited by Clearing Members on LCH.Clearnet SA's account held at the commercial banks, as listed in Instruction on D before 11.45 CET.

### **Article 1.5 - Management of unallocated cash Collateral transferred by Clearing Members to cover Clients Margin requirements**

In the event that Clearing Members did not provide the required information necessary for the allocation of the Client Collateral at 16.00 CET, LCH.Clearnet SA shall return such unallocated cash Collateral to the relevant Clearing Member.

Upon the occurrence of an Event of Default, LCH.Clearnet SA cannot make use of such unallocated cash Collateral to perform its obligations under the terms of Article 4.5.2.7 of the Rule Book. Therefore, such unallocated cash Collateral is transferred, for the account of the Clients of the Defaulting Clearing Member, to the administrator duly nominated to represent the Defaulting Clearing Member during such Event of Default.

## Chapter 2

**Timeframes applicable to Collateral deposits/returns and other notifications pursuant to Instructions IV.3-1 related to “the Cash and Derivatives Default Fund for Securities or Derivatives Product Groups (excepted MTS Italy Regulated Market) and Bluenext market” and to Instruction IV.3-2 related to “the Default Fund Fixed Income for Trading and Matching Platforms and the MTS Italy Regulated Market” and to Instruction V.4-2 related to the Triparty Repo Default Fund**

### **Article 2.1 - Central Bank guarantee**

Please refer to the information mentioned in chapter 1 of this Notice.

### **Article 2.2 - Collateral in cash in Euros**

On the basis of the relevant treasury report sent earlier and in accordance with relevant enforceable Power of Attorneys granted by Clearing Members to LCH.Clearnet SA, relevant amounts of cash in Euros aiming at covering the contribution to the relevant Default Fund, are debited on D as from 8.30 am CET until 9.00 CET (with an information period between 8.00 am CET and 8.30 am CET) from relevant Clearing Members' TARGET 2 Accounts held directly or indirectly in the central banks, as listed in an Instruction, and then transferred on to LCH.Clearnet SA's TARGET 2 Accounts held in Banque de France.

If you have any questions and/or remarks,  
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