

General Members Meetings

LCH.Clearnet and...

ESES

TARGET 2

Clearing of Luxembourg Stock Exchange

eCCW

But also...

New Projects

Special subjects

- GMM Amsterdam: 24 October 2007
- GMM Brussels: 30 October 2007
- GMM Paris: 25 October 2007
- GMM Lisbon: 31 October 2007

Agenda

1 ESES PROJECT & LCH.Clearnet

ESES phase 1: go-live soon...

ESES phase 2 / stream 3: what to do ?

2 Foreign Currencies Settlement

New !

3 TARGET 2 & LCH.Clearnet

Project status... next steps

4 Clearing of Luxembourg Stock Exchange

Project Roadmap and Status

5 eCCW

6 Decimalisation

New !

7 Collateral Transfer of ownership in Portugal and Belgium

New !

8 Special Subject

Security

Presentation

ESES phase 1

ESES

Members readiness report phase 1

- LCH.CLEARNET Assessment

- Launch rehearsal: All members and ISVs who participated have successfully performed their rehearsal

- At the end of the passive tests

- 90% of the members returned a green light to go live after the test cycles 1, 2 & 3

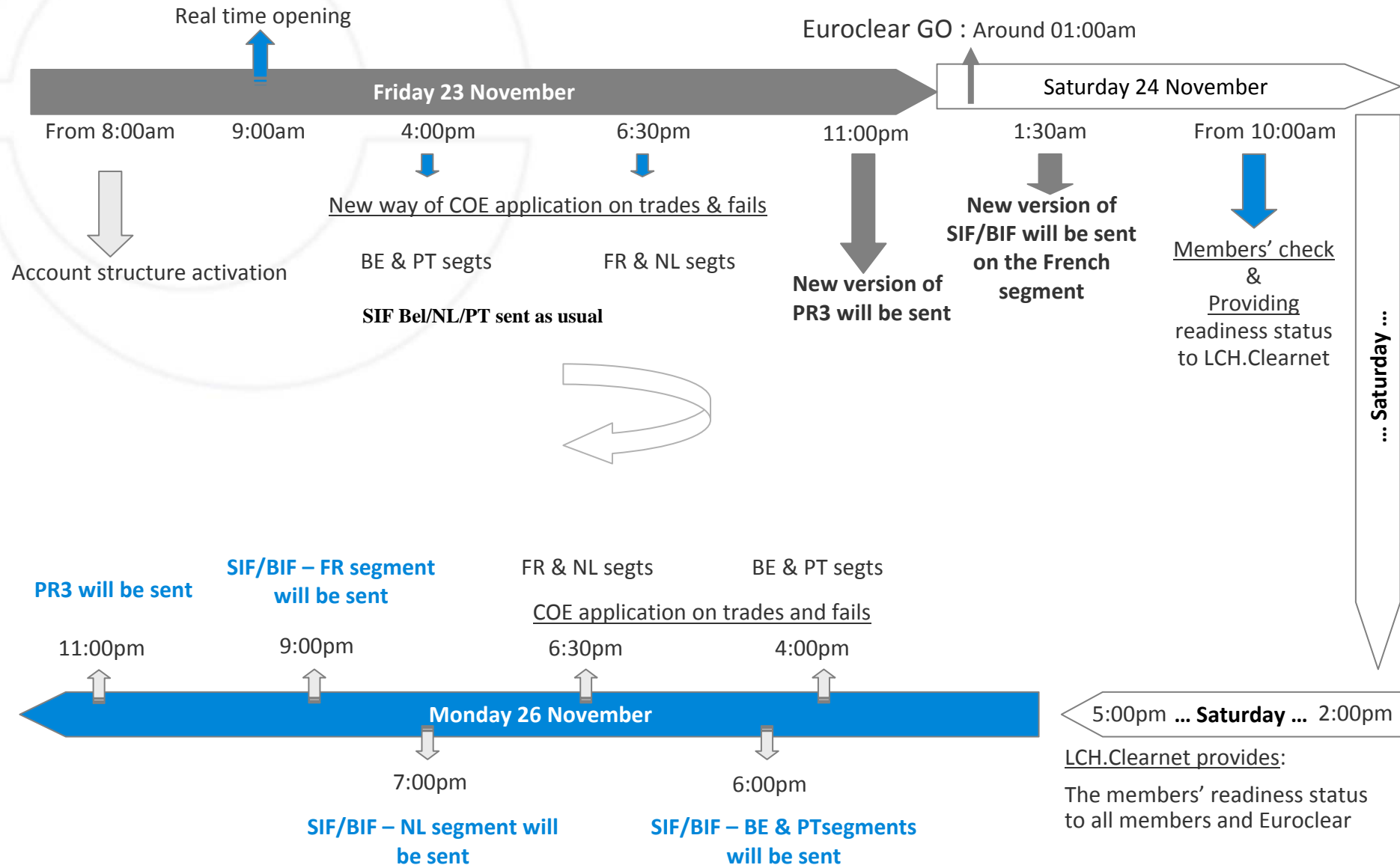
- After the passive tests

- the remaining 10% successfully performed few additional tests



To conclude: All Members and ISVs are ready for launch !

ESES Launch strategy phase 1



ESES

Launch strategy phase 1

○ Cash distribution events around the launch

Cash distribution event cases	Thursday 22 November 2007	Friday 23 November 2007	Saturday	Sunday	Monday 26 November 2007	Tuesday 27 November 2007	Wednesday 28 November 2007	Thursday 29 November 2007
Case n°1	ED - 1	ED						
Case n°2		RD			EX/PD			
Case n°3					RD	EX/PD		
Case n°4						RD	EX/PD	
Case n°5					EX		RD	PD

ED = EFFECTIVE DATE

RD = RECORD DATE

EX = EX-DATE

PD = PAYMENT DATE

Current process : ED = EX = PD RD = ED-1

ESES process : RD = EX + 2

ESES

Launch strategy phase 1

- Communication during the launch
 - Member contact reachable requested for the launch Week-end (to be returned mid November)
 - On request: SMS sending in parallel to usual info flashes



- Reminder: In case of a NO GO from Euroclear (very unlikely) ...
 - LCH.Clearnet will maintain its software in its new version
 - New COE mechanism operational
 - Order of dates:
 - Record date = Effective date -1
 - Payment date = Effective date
 - Ex date = Effective date

ESES phase 2 = ESES stream 3 + Single Order Book

ESES stream 3

Principles of SOB & ESES

Reminder: 1 ISIN = 1 market of ref = 1 CSD of ref

- SOB: no more multi trading on security
 - 1 market of reference per ISIN ⇒ single identification for a security, trading code always = ISIN code
- ESES: ceasing of legacy system (ENL & EBE)
 - = 1 settlement platform for Nyse Euronext markets (Paris, Brussels, Amsterdam)
 - = 1 single CSD of ref per ISIN

ESES stream 3

Fails positions management at the launch of SOB and ESES

1. First switch over step: Transfer of fails positions

- LCH.Clearnet will transfer the fails position:
From the previous clearing segment /DA where the fails are registered
⇒ To the new one where the security is eligible
- LCH.Clearnet will generate dedicated "launch book entry":
To cancel the fail position recorded in the former DA:
⇒ book entry type: LDE (launch delete) + Book entry comment
To create the fail position in the new DA:
⇒ book entry type: LCR (launch creation) + Book entry comment

2. To track the transfer of fails positions

These book entries will be reported in the SIF file sent to the member:

- ⇒ Record 50 (LDE)
- ⇒ Record 40 (LCR)

ESES stream 3

Fails positions management Book entry comments

1. Currencies conversion of fails

- LDE "CUR TRF-DEL-<Payment currency><Currency rate>"
- LCR "CUR TRF-CRE-<Payment currency><Currency rate>"

2. Fails positions Transfers linked to SOB

- LDE "SOB TRF - DEL - <ISIN>"
- LCR "SOB TRF - CRE - <ISIN>"

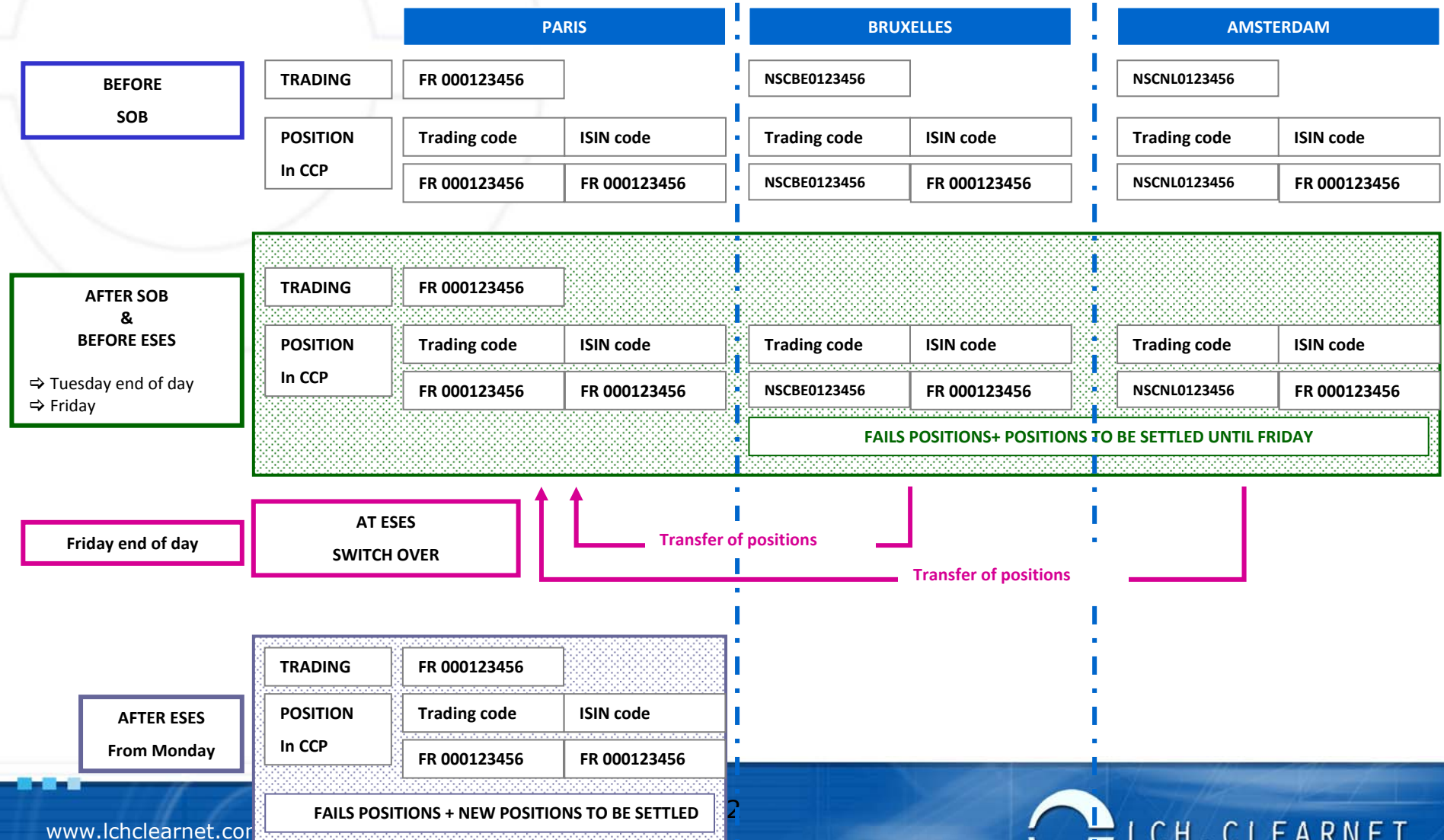
3. Fails positions Transfers linked to migration from previous Cl.Segt/DA to new Cl.Segt/DA where the security is eligible

- LDE "DA TRF - DEL - <CMF>"
- LCR "DA TRF - CRE - <CMF>"

Example 1:

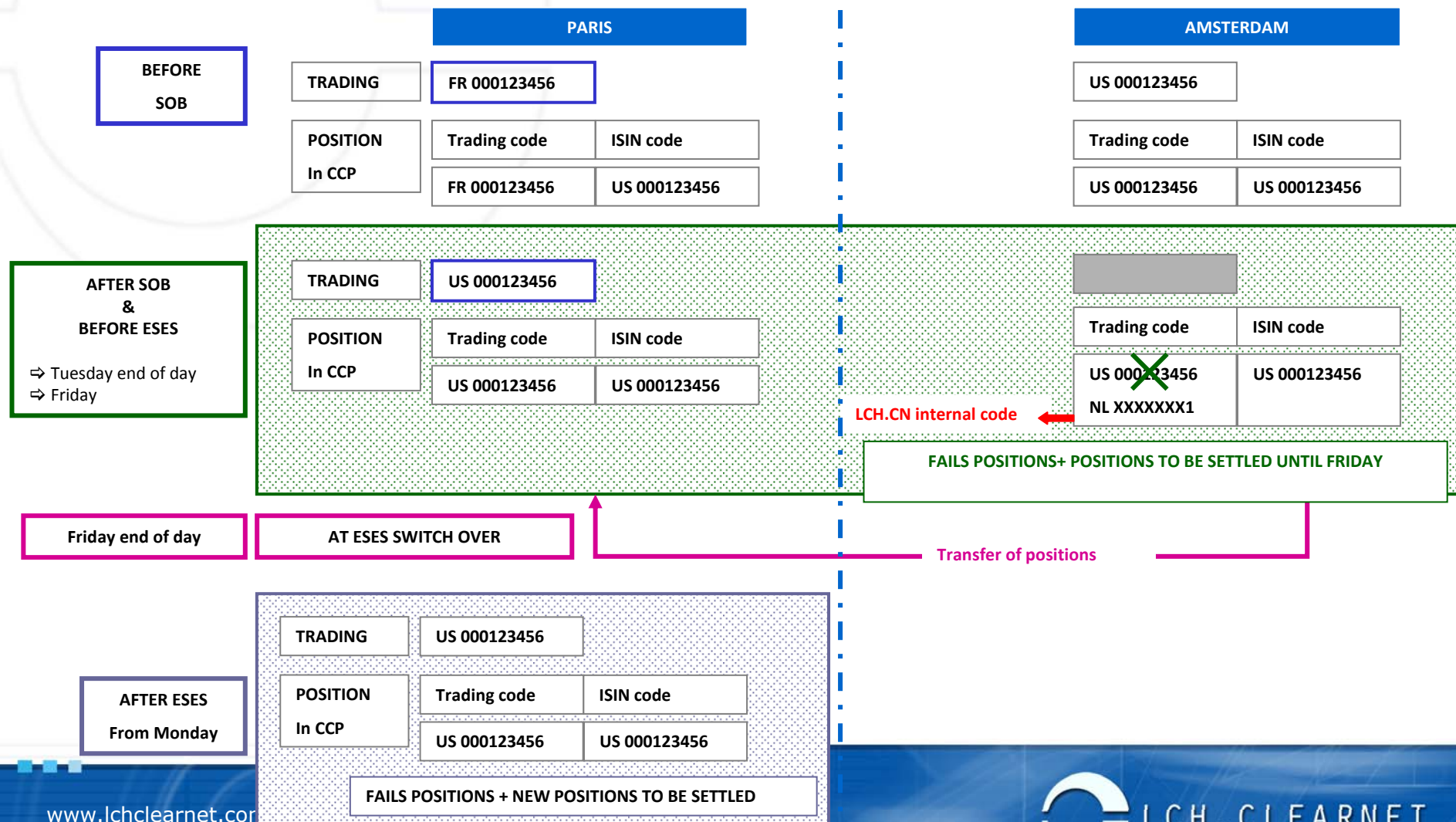
AAAA: Isin code = FR 000123456 – Traded in: PARIS/ BRUSSELS/ AMSTERDAM

AAAA will not be traded anymore in Brussels and Amsterdam Market Places
 AAAA remains on Paris market place with the same trading code = ISIN code



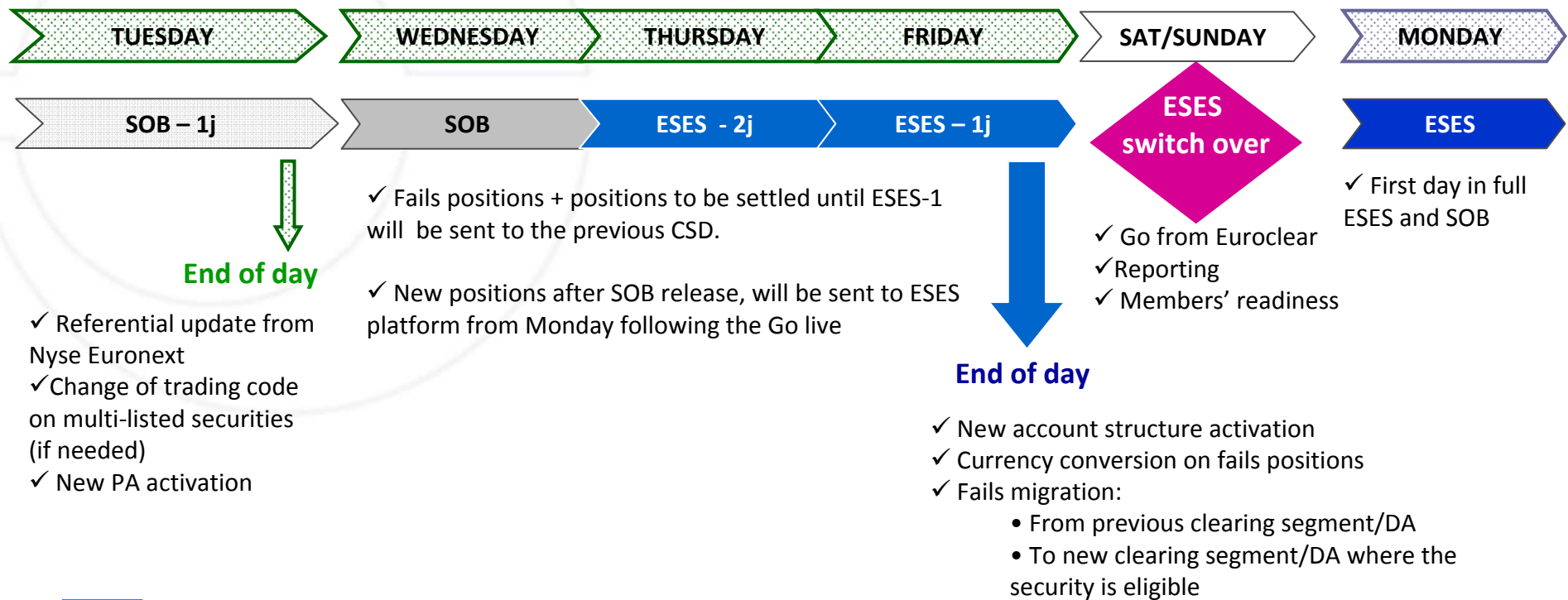
Example 2: BBBB: Isin code = US 000123456: Traded in Paris & Amsterdam

BBBB will not be traded anymore in Amsterdam Market Places
 BBBB remains on Paris market place **with change of trading code**



SOB/ESES stream 3

LCH.Clearnet detailed planning



- Members will be solicited to designate the DA they want to use as DA to manage the fails positions
 - ⇒ among the existing one or new DA created for ESES linked to the appropriate Clearing segment,
- Otherwise, LCH.Clearnet will use a DA by default linked to the appropriate clearing segment

ESES stream 3

Impact on account structure in the CCP system

1. Clearing members have to sent their clearing extension Membership to LCH.Clearnet in December 2007.
2. Clearing members have to provide their settlement solution for each clearing segment to allow LCH.Clearnet to open at least one Delivery account per CSD of reference in December 2007.

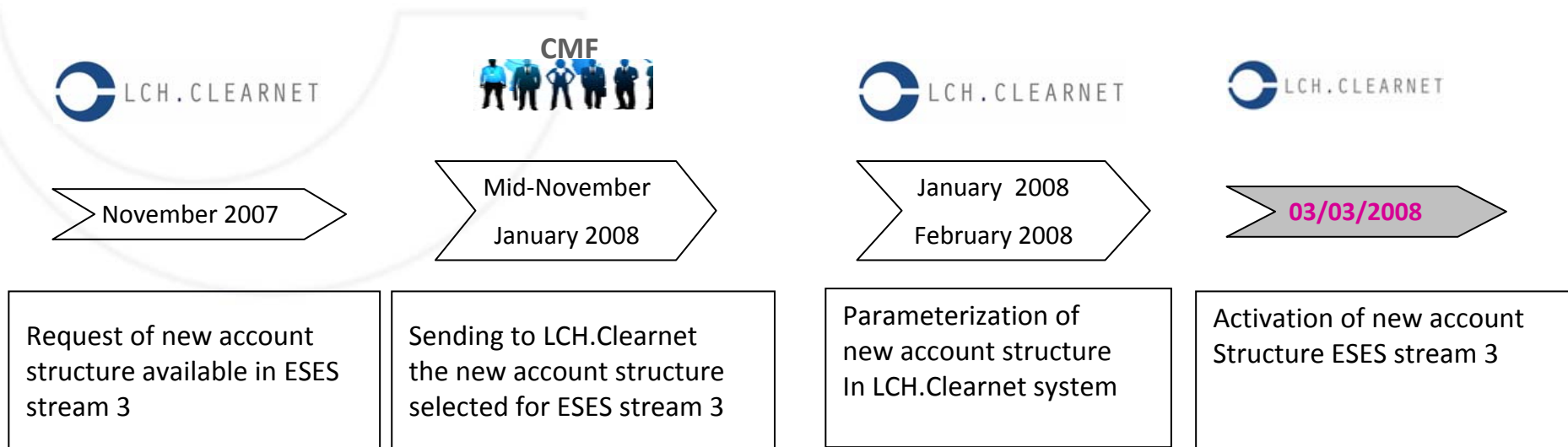
⇒ Member may choose among these possibilities:

- an operational facility open in ESES
- an account open in Euroclear bank
- a settlement agent participant of ESES or Euroclear bank

ESES stream 3

Impact on account structure in the CCP system

⇒ Detailed planning for the testing phase



⇒ Planning for the production will follow the same sequence depending on the **Go live date**

ESES Members testing

Tests stream 3

- Objectives: To get Members ready on time for the Go live date
- Perimeters
 - Launch rehearsals: Integrate the changes of ESES Stream 3 and SOB
 - Validate the account structure parametrisation
 - Test the position transfers
- Principle: free testing end to end tests on each clearing segment (P/B/A),
 - Members have to:
 - Input their trades according to their scenarios
 - Manage their balance at the CSDs levels
 - Account structures iso production
- Environments
 - Test strategy built in close coordination with all the partners
 - EUA platforms from trading to settlement will be connected
 - Data referentials will be fed by a set of instruments
 - All instruments concerned by SOB test will be available for testing (multi-listed instruments list will be provide by Euronext and displayed on Euronext Web Site)
 - Corporate actions expected on all clearing segments

ESES stream 3

Members testing



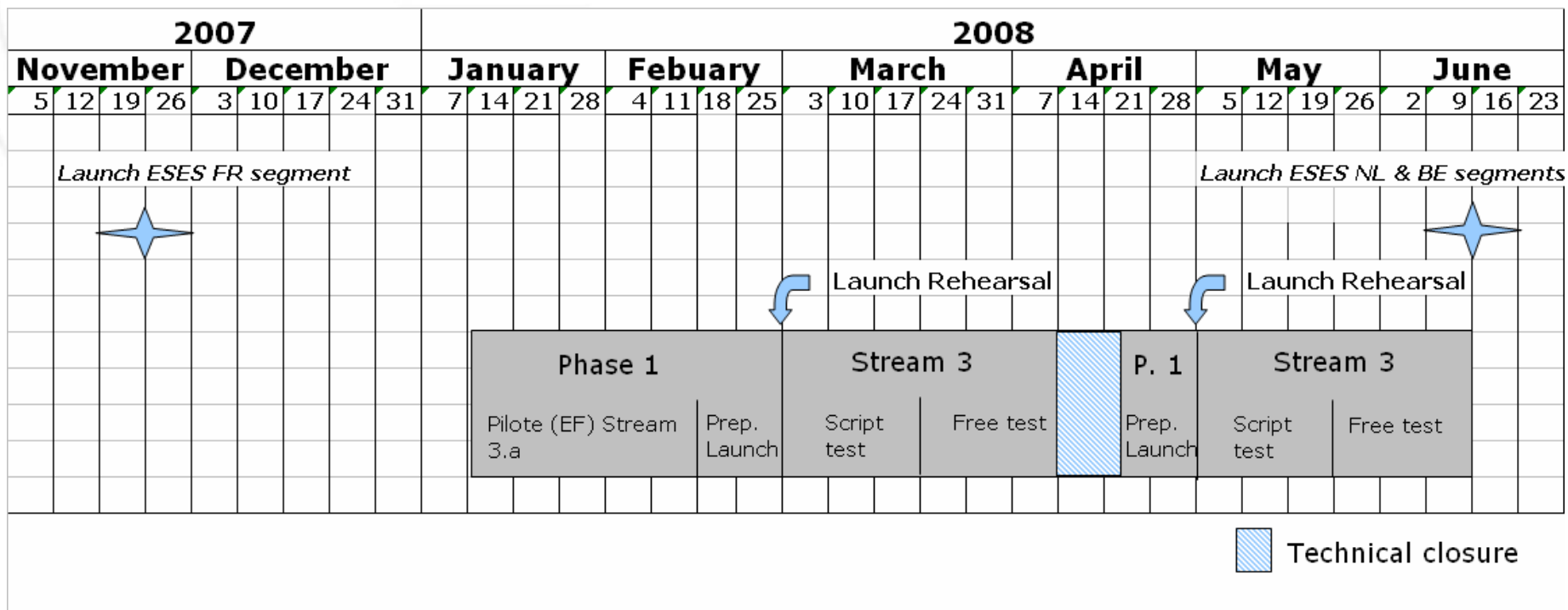
Tests strongly recommended for Clearing Members, active on Paris, Brussels and Amsterdam segments

- Preparation step
 - Return of Members' account structures
 - Send the DA routing rules for fails position transfers
 - Check the referential to be synchronised with the test platforms

- Readiness criteria
 - Succeed the launch rehearsals
 - Position transfers perfectly integrated in Member's internal applications
 - Changes in account structures successfully checked
 - Check list to be filled in and returned for readiness status

ESES stream 3 Members testing

Planning



ESES stream 3

Members testing – Next steps

- Documentation
 - General testing plan to be sent in coordination with all the partners end of November 2007
 - Testing guide to be sent in December 2007
 - List of instruments
 - Relay of COE for free tests
- Meetings with members
 - GMM around March 2008
 - To give a first status of members' launch rehearsal
 - Details on the 2nd launch rehearsal

Foreign Currencies Settlement

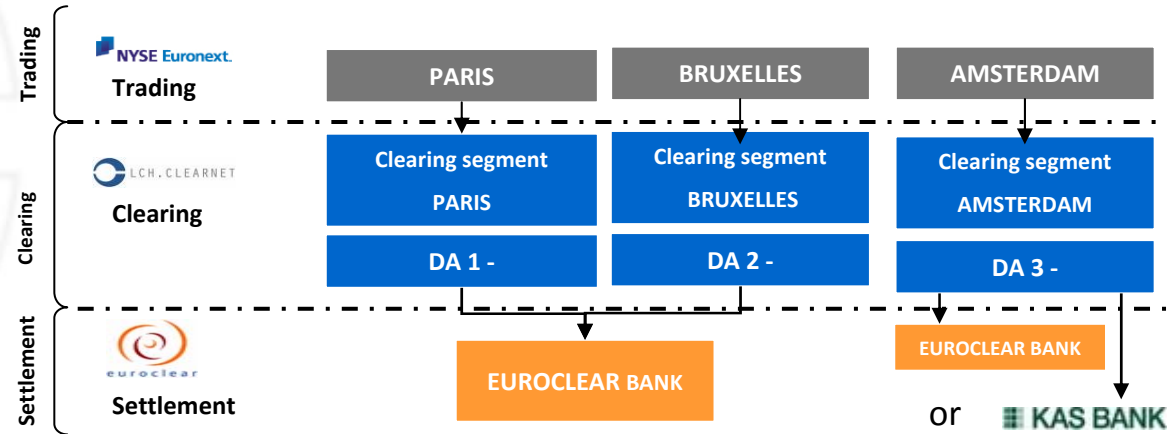
Foreign currencies Settlement

- From Monday 14 January 2008
 - Nyse Euronext planned to launch the trading of securities (Paris, Brussels and Amsterdam markets) in USD currency.
- From ESES stream 3, additional securities in other currencies will be traded. List of currencies will be defined later.
- LCH.Clearnet will clear these securities and will send them to settlement.
 - From 14 January 2008 to the launch of ESES stream 3
 - For the French and Belgium markets via Euroclear Bank only.
 - For the Dutch market via Euroclear Bank or Kas Bank
 - At the launch of ESES stream 3
 - For the French, Belgium and Dutch markets via Euroclear Bank only and for all foreign securities defined in the list provided by Nyse Euronext.
- Members Testing phase
 - The testing platforms (Nyse Euronext / LCH.Clearnet & Euroclear Bank) will be available after ESES stream 1 launch (date to be confirmed).
 - Principle of test: free testing

Foreign currencies Settlement

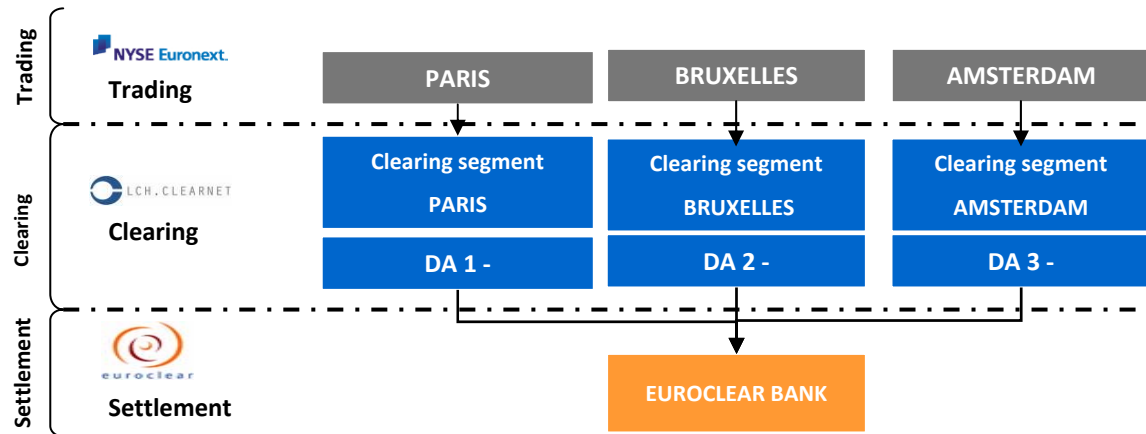
14 January
⇒ ESES stream 3 Go live

CURRENCY:USD



From ESES stream 3

FOREIGN CURRENCIES



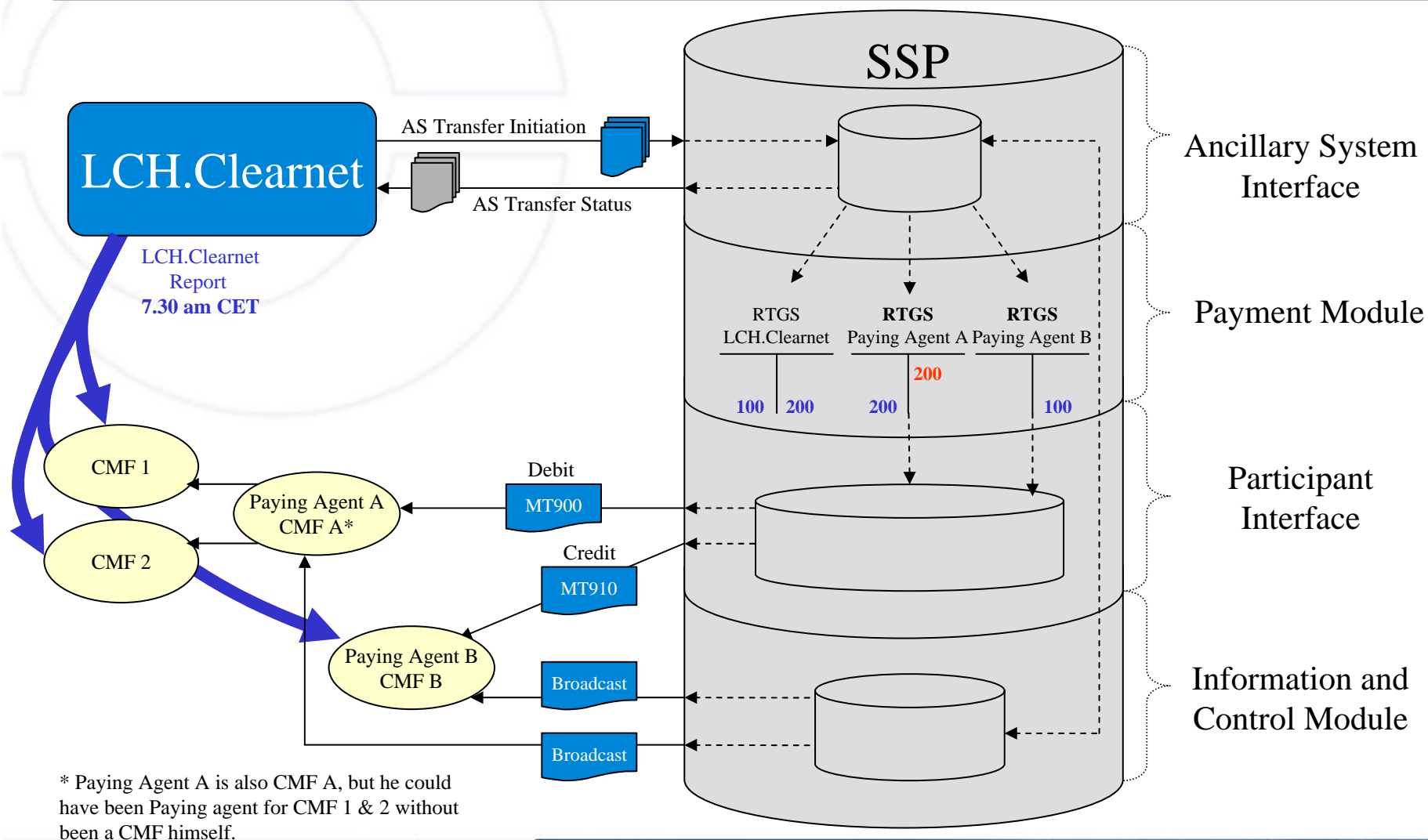
TARGET 2

TARGET 2 & LCH.Clearnet Planning overview & Launch strategy

Tests phases	Q4 07			Q1 08			Q2 08		
	O	N	D	J	F	M	A	M	J
Country certification tests	→								
Business day free tests	→								
Business day certification tests		→							
Launch					18 Feb 2008 Go live Group 2			19 May 2008 Go live Group 3	

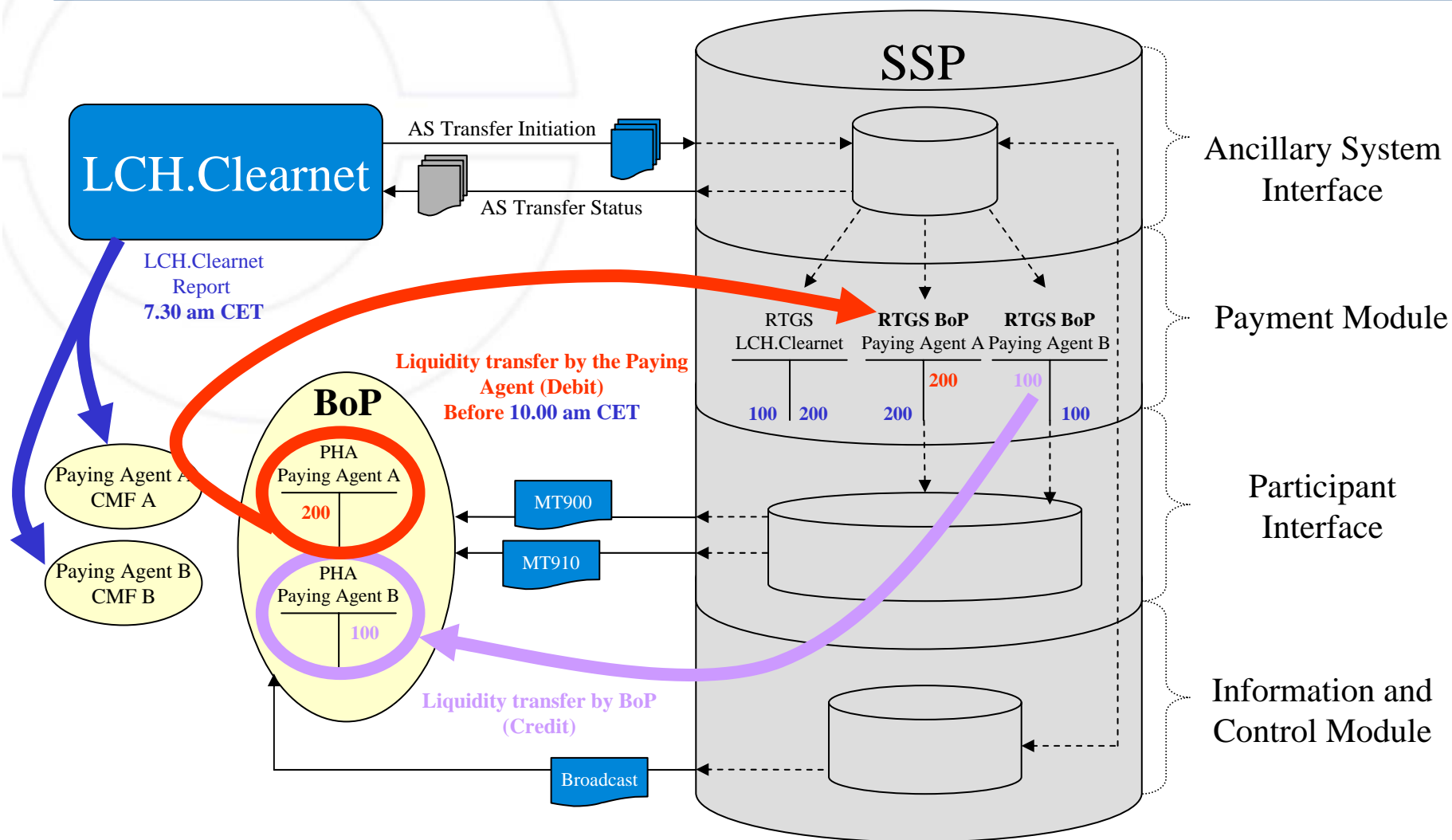
- The TARGET 2 launch for group 2 (Portugal, Netherlands, Belgium and France) will take place between Friday 15th evening and Monday 19th February 2008 (Switch Over week end).
- LCH.Clearnet will keep members informed of the launch status, step by step, all over this week end.
- In order to decrease the risk during the launch week end, all LCH.Clearnet applications will migrate well in advance through a technical launch. Only the TARGET 2 version setup of those applications will happen during the week end.

TARGET 2 & LCH.Clearnet Flows mechanism (LCH.Clearnet as an Ancillary System)



TARGET 2 & LCH.Clearnet - Portugal Specificities

Flows mechanism (LCH.Clearnet as an Ancillary System)



TARGET 2 & LCH.Clearnet

Field 72 use for Paying Agents (1/2)

- ◉ **Reminder:**



- ◉ **Description:**

If you have some clients that you are Paying Agent [\[1\]](#) for, you will be able to benefit from the use of the enriched field 72 of SWIFT message MT900 and MT910 sent out by the SSP. This functionality, enables you to split out your clients flows.

- ◉ **Pre-requisites:**

- ◉ **Ask your Central Bank in order to receive those messages (1000 form)**
- ◉ **Ensure that your clients BIC codes are published within the SWIFT BIC directory**
- ◉ **Provide LCH.Clearnet with those BIC codes in order to set it up into LCH.Clearnet system**

[\[1\]](#) A LCH.Clearnet paying agent is a party that holds an account at a Central bank to settle the margin call (fees, variation margin, premiums, etc) for its own CMF activities and/or for other CMF's. A paying agent client is a CMF that makes use of a paying agent to settle the margin call obligations on his its behalf.

TARGET 2 & LCH.Clearnet

Field 72 use for Paying Agents (2/2)

- Structure:

- MT900 structure (for a debit):**

- 72:/ASDEBT/<BIC>/ASINF/<AS code><Sending code><Date><LCH.Clearnet participant code><Euroclear participant code>

- MT910 structure (for a credit):**

- 72:/ASCRED/<BIC>/ASINF/<AS code><Sending code><Date><LCH.Clearnet participant code><Euroclear participant code>

- If we don't know your client BIC code:**

- 72:/<AS code><Sending code><date><LCH.Clearnet participant code><Euroclear participant code>

<BIC>	: AAAAAAAXXX
<ASINF>	: means Ancillary System Information
<AS code>	: LCH.Clearnet code: CLE for Paris, CLB for Brussels, CLA for Amsterdam or CLL for Lisbon
<Sending code>	: 01 for the initial call. 91 for additional call
<Date>	: YYMMDD
<LCH.Clearnet participant code>	: BBBB
<Euroclear participant code>	: CCCCC

- Reminder:

- If you decide to receive MT900 & MT910 messages (this is an optional SSP service that you could or not subscribe to), be aware that you could know if those messages come from LCH.Clearnet by checking field 52a « Ordering institution » (LCH.Clearnet messages correspond to BACFRP0TG2 for test and BACFRPPTG2 for production).

TARGET 2 & LCH.Clearnet Certifications tests

- Connectivity tests:
Certified by BdF as an Ancillary System and a direct participant by 3rd August 2007.
- Interoperability tests:
Certified by BdF as an Ancillary System and a direct participant by 12th September 2007.
- Country tests:
LCH.Clearnet performed all the tests successfully and will be certified within the French segment certification process lead by Banque de France.
- Business day tests:
This last phase will be mandatory for all Paying Agents as required by Banque de France.

TARGET 2 & LCH.Clearnet Remaining tests phases

- **During these last test phases you will have to:**
 - Supply your RTGS account with sufficient liquidity
 - When agreed with LCH.Clearnet, remove all liquidity from your RTGS accounts
 - Verify if flows are correctly debited or credited to your RTGS accounts with the ancillary system
 - Verify if flows are correctly debited or credited to your RTGS accounts in line with the FIN messages transmitted by LCH.Clearnet
 - Verify your treasury reports

TARGET 2 & LCH.Clearnet Production BIC codes

- In order to prepare the migration, LCH.Clearnet needs:
 - To complete its subscriptions
 - To configure its system
 - To authorize Banque de France to set up its Static Data within the SSP
- The subscription procedure for Paying Agents would be as follow:
 - LCH.Clearnet did send you a 2002 form by 19th October
 - You have to fill your BIC code in and return it by Email to LCH.Clearnet by October end
 - LCH.Clearnet will complete and check it, then send the 2002 form back to you by Email
 - You will have to send it back to LCH.Clearnet with your sign off by post mail before mid November
 - LCH.Clearnet will send all the subscriptions to Banque de France for registration
- It is really important to comply with this planning, because both processes are time consuming.

TARGET 2 & LCH.Clearnet

Legal impacts

- Relationship between a Clearing Member and a Payment Agent
 - Rules and Regulations
 - Slight modifications expected for LCH.Clearnet SA rules and regulations
 - Payment agent Agreement between a Clearing Member and a Payment Agent may be amended as to be compliant with TARGET 2 and the Timeframe harmonisation for margin calls' requirements
 - Removal of references that will not be relevant anymore (e.g.: any reference to « Centrale des Règlements Interbancaires » shall be removed from these agreements...).
 - Update of timeframe for margin calls, if applicable, in order to take into account the new timeframe regime that will be in place by Feb.2008
 - Amendments to the Payment Agent agreements, if applicable, shall be sent back to LCH.Clearnet SA, for approval, by end 2007.
- For any further information, please contact LCH.Clearnet SA Membership department : lchclearnetsa_membership@lchclearnet.com

TARGET 2 & LCH.Clearnet Timeframe harmonization

Current situation:

Type of AS	DNB	BDF	BNB	BOP	All CB for IDMC
Central Bank Guarantee	07h30 – 08h00 11h00 – 11h15 ^[1]	N/A	10h00 – 10h30	N/A	11h05 – 11h35 14h05 – 14h35 15h05 – 15h35
Cash payment Agreement	N/A	09h30 – 10h00	N/A	N/A	11h05 – 11h35 14h05 – 14h35 15h05 – 15h35
Cash payment Settlement	08h00 – 08h30	10h00 – 10h30	10h00 – 10h30	10h00 – 10h30	

Harmonization from 18th February 2008:

Type of AS	DNB / BNB	BDF / BOP ^[2]	All CB for IDMC
Central Bank Guarantee	08h30 – 09h00	N/A	11h05 – 11h35 14h05 – 14h35 15h05 – 15h35
Cash payment Agreement	08h00 – 08h30		11h05 – 11h35 14h05 – 14h35 15h05 – 15h35
Cash payment Settlement	08h30 – 09h00		

^[1] Collateral release.

^[2] Clearing Members centralising CCP margin calls collection in BoP will benefit from a "Grandfather clause" until the full migration of the BoP into the SSP platform in Q1 2009. For these members, LCH.Clearnet will initiate the margin calls (agreement and payment periods) between 8:00 am and 9:00 am GMT (instead of CET for the 3 other segments).

Clearing Luxembourg Stock Exchange

Clearing Luxemburg Stock Exchange

Scope:

- Implement LCH.Clearnet clearing services, for the "Luxembourg Stock Exchange" market, with a settlement in Euroclear-Bank and Clearstream Banking Luxembourg.
- Guaranteed and non-guaranteed transactions.
- 19 trading Member Firms.

Stakes:

- 42000 products listed on the Luxembourg Market representing 60% of the traded bonds in Europe and 4100 issuers over 100 countries.
- Approximately 10 equities and 100 bonds will be processed in full-CCP, for the launch.
- Monthly new securities will be accepted in full-CCP, based on the their eligibility (liquidity, currency, presence of market maker, eligible in EB & CBL).

May 2007 figures

Type	Euro (incl. IN currencies)	15 selected currencies	TOTAL
Corporate Bonds	16 845	10 118	26 963
Governmental & Sovereign bonds	980	1 364	2 344
Shares	61	239	300

Clearing Luxemburg Stock Exchange

Roadmap:

- Go-Live March 2008.
- Member's testing period, from 7th January to the beginning of March 2008.

Customer Impacts (reminder):

- Trading member firms are not familiar with the clearing process.
- A new dedicated clearing segment for "Luxemburg" is created, which needing clearing members to apply for a membership extension for this market.
- LCH.Clearnet's members may have to handle new data-flows issued by Euroclear-Bank or/and Clearstream Banking Luxemburg.

Clearing Luxemburg Stock Exchange

Project's status:

- Quadrilateral internal testing starting mid-October (BdL/LCH.CL/EB/CBL).
- Undergoing discussions with regulatory authorities (both French and Luxemburg).
- 19th October, meeting between ICSDs (EB & CBL), CMFs and TMFs to answer specific queries.

Next steps:

- Production of the testing guide :
 - Workshop in November with LCH.CL, BdL and “pilot” members to share and prepare testing details.
 - Meeting in December with all participating CMFs and TMFs to share the testing guide.
- Account structures to be returned in LCH.Clearnet for 30th November, in order to input them before the members testing.
- Individual members meeting upon request.

Presentation

eCCW

eCCW

Objectives & scope of the offer



- Objectives
 - To replace the current LCH.Clearnet workstation (CCW) by a more flexible solution based on web technology
- Scope
 - Same functions as currently offered by CCW
 - Internet connectivity facility allowing application access from everywhere
 - With eCCW, Members can get a complete and consistent vision of their clearing activity
 - Access to eCCW is completely secure (based on RSA securedID authentication)
 - Unique username
 - Pin code
 - Password
 - eCCW access cards managed by an eCCW Security Administrator (EMSA)

eCCW Project Status



○ Planning

- September 2007: Sending eCCW access cards to Members (more than 800 eCCW access cards ordered)
- 29 October 2007: Opening of EUA platform
- Beginning of December 2007: Go live
- Parallel run from beginning December 2007 to the end of 2007
 - Parallel processing of CCW and eCCW during this period
 - CCWs will be disconnected upon Member's readiness
- Dismantling of the CCWs will be done only after the end of the parallel run
 - Physical dismantling of CCWs: AEMS will come to remove the CCWs from the Members premises

eCCW Project Status



- Communication and support to Members
 - Opening EUA platform (users test) communication to Members
 - Testing guide
 - User guide

- Training - Presentation eCCW meetings to Members
 - 15/10/2007: Brussels
 - 16/10/2007: Paris & Amsterdam
 - 17/10/2007: Lisbon
 - 22/10/2007: London & Paris

eCCW

Main Objectives of Members tests



- Free Members tests: Participation is not mandatory but strongly recommended

- Test on connectivity: not mandatory but recommended
 - This test covers the following aspects:
 - Access to eCCW service from any workstation through internet
 - Internet URL: <https://eua.lchclearnet.e-ccw.com/Cash> (Cash)
 - Internet URL: <https://eua.lchclearnet.e-ccw.com/Derivatives> (Deriv.)
 - Access to eCCW service from a dedicated workstation over MSA (private Member LAN or LCH.Clearnet public LAN)
 - Internet URL: <https://eua.wan.lchclearnet.e-ccw.com/Cash> (Cash)
 - Internet URL: <https://eua.wan.lchclearnet.e-ccw.com/Derivatives> (Deriv.)

- Test on functionalities
 - LCH.Clearnet suggests to Members to define their own scripts based on checklist of functionalities provided by LCH.Clearnet within the testing guide

Decimalisation

Decimalisation

- **Scope and project summary**

Euronext driven project about widening the quotation from 2 to 4 decimal positions for all Euronext cash segments (for prices only).

- **LCH.Clearnet impacts = very low at CCP level**

LCH.Clearnet will take this opportunity to harmonise the amounts calculation in C21:

- **Paris:** amounts will not be truncated anymore and will rather be rounded up
- **Other segments:** no change – remain rounded up

- **Members testing (= CCP platform connected to Euronext platform + free testing not mandatory)**

- **Dutch segment:** trading platform updated and available since July 18th
- **Other segments:** trading platform will be updated and available as from mid-January 2008

- **Production launch (officially announced by Euronext)**

- **Dutch segment:** January 28th, 2008
- **Other segments:** shortly after (In the meantime, Belgium and Portugal have requested to start in January)

Collateral Transfer of ownership in Portugal and Belgium

COLLATERAL TRANSFER OF OWNERSHIP IN PORTUGAL*

Project summary

- Current situation: collateral = pledge process (\neq other segments)
- Future situation: transfer of ownership extension for collateral process to the Portuguese segment (and Belgium segment)

- the Interbolsa account on which CMFs will deposit their collateral will be LCH.Clearnet's account
- the collateral will be LCH.Clearnet's property
- incomes regarding securities transferred as collateral will remain member's property.

Harmonisation
with the other
segments

Project objectives

- Reduce the risks for the CCP
- Simplify and harmonise processes across the various segments cleared by LCH.Clearnet SA.

*NB: the same harmonisation will be applied for Belgium in 2008

COLLATERAL TRANSFER OF OWNERSHIP IN PORTUGAL*

Regulatory changes

- The publication of the Decree-law transposing the European Directive (Decreto-Lei n.º 105/2004 – acordos de garantia financeira)
- Securities Code changes (article 261º)
- LCH.Clearnet's Instruction to be adapted (Instruction I-5.1).

⇒ The Portuguese regulators have already granted a non objection on this project.

Clients impacts / Corporate Events

- Members will stop receiving directly from Interbolsa the incomes regarding securities transferred as collateral. Those incomes will be credited in LCH.Clearnet's account, who will transfer them to members within the day (ex. Cash dividend, interests, redemption, securities creation...).
- If cash: transfer via SWIFT to the CMF's account in BOP on the same date (at T after 12:30 and before 5 pm GMT)
- If securities: transfer to CMF's account in Interbolsa on the same date (at T before 5 pm GMT).
- Reminder: members can always ask for the withdrawal (and/or substitution) of the securities, over which will occur a COE, in order to receive directly the income of the COE.

*NB: the same harmonisation will be applied for Belgium in 2008

COLLATERAL TRANSFER OF OWNERSHIP IN PORTUGAL*

○ Clients impacts / Corporate Events (continuation...)

- In some COE cases (merger, split, capital reduction...) LCH.Clearnet will return the securities to Clearing Members before the COE occurs
- Collateral report (received from LCH.Clearnet): no change
- Transfer of securities as collateral: Transfer to LCH.Clearnet – IF 200 – with the motive 200, as today
- Restitution of Collateral: The transfer will have immediate effect (no acceptance will be required from members).

○ Project Plan

- Bilateral tests between LCH.Clearnet and Interbolsa: October 2007
- Production launch: **December 10th, 2007.**

*NB: the same harmonisation will be applied for Belgium in 2008

Presentation

Information Security Department

Security : *what for* ?

One major stake : protect all strategic assets

- Identification of a security scope (classification of sensitive assets)

Security : *how* ?

Implement proactive security management rather than curative model

- On the basis of a cost/risk model (over or under protection is counter productive)

- How security is enforced within LCH.Clearnet

- Extending means have been devoted by General Management to Security Organization (5 FTE)

- A **Chief Security Officer**, who reports directly to General Secretary, was duly appointed in 2004

- Plus dedicated team composed of one Application Security Administrator and one Security Manager

- A **Business Continuity Manager**, is dedicated to Continuity aspects

- **Dedicated budgets** are allocated yearly for both security and continuity departments

- Promote Security Culture within the company
 - On the basis of a Group Security Policy based on ISO 17799 Norm
 - Permanent awareness program
 - In terms of governance, a dedicated committee (with IT, Audit, Legal and Business stakeholders) has been constituted
 - Security Dashboards are being constituted

- Enforce security watch to identify and mitigate new security threats
 - Two penetration tests are performed a year (with results communicated to Executive Committee and correctives actions done)
 - A Computer Security Incident Response Team has been implemented in coordination with our IT provider

- Ensure continuity of activity in case of major disaster
 - Through a consistent **Business Continuity Plan** (encompassing both an Office Recovery Plan and a Disaster Recovery Plan)
 - Both plans are **regularly tested** (at least three times a year) and audited (once a year by Internal Audit)
 - **Crisis Management** Exercises are also performed yearly with a strong communication aspect
 - Actions with Brussel, Amsterdam, Lisbon

◉ Embed Security within projects

- ◉ In order to capture **security needs** and perform **risks analysis** as of Business Case Phase
 - ◉ Identify *what* needs to be protected and *at which level*
- ◉ On the basis of an **Assets Management** and **Risks Identification**
 - ◉ *Inventory of assets included in any new project*
 - ◉ *Identification of security needs for each of those assets*
 - ◉ *Risks analysis and relevant risks mitigation*
- ◉ This is done for **each new project** and formalized through a specific document (Security Validation File signed both by CSO and Project Sponsor)
 - ◉ **27 new projects** concerned (including IDMC, e CCW, ...) since implementation of this process in 2006

◉ Enforce robust logical access control

◉ Application Security Administrator

- ◉ Segregation of duties between business users and access rights management is guaranteed
- ◉ All applications whose inherent risk level has been identified as high or level are concerned

◉ Urbanization of means is our objective

- ◉ Identity Management is an important element of protection of our Information System
- ◉ It is **already enforced** for sensitive systems based on Extranet technologies (e CCW, Web OTC) through **certificates and token technologies**
- ◉ Next step : **SSO and provisioning** projects for our internal users

GMM - Information Security Department / CONCLUSION

- Security is considered as a MUST HAVE within LCH.Clearnet SA
 - Strong security appetite from General Management
 - Dedicated means to security aspects
 - Robust organization is being implemented
 - Objective : Compliance with ISO 27001:2005

Customer support

Your Product Implementation Manager

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