CMS Enhancement – Real Time Concentration Limit Checks

We are pleased to communicate an enhancement in the Collateral Management System (CMS) scheduled for deployment on 11th March 2024. From this date, Clearing Members will be able to view the Collateral Headroom Limit in the security lodge screen.

The Collateral Headroom Limit is the maximum value of the ISIN that can be lodged, in accordance with the Non Cash concentration limits and the individual ISIN limits already in enforcement.

As a result of the change, members will be able to ensure their proposed lodge will not breach any non cash limits at the point of entry, resulting in a faster and more streamlined process for lodging non cash collateral. The benefits include increased transparency on the member's available headroom against the limits, and reduced rejections.

This file is to demonstrate step by step the new process for instructing a security lodge, and provide a visual representation of the updated screen

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1. In the Security Lodge Screen of CMS, the Clearing Member inputs their mnemonic, sub account and ISIN. The Collateral Headroom Limit will calculate. Members can continue to complete the other fields in the screen whilst the calculation takes place.

2. Once the calculation has completed, the Collateral Headroom Limit will display with the maximum value that can be lodged for the ISIN entered.

3. The member can then complete the rest of the screen and submit the instruction. In the event that the nominal entered would cause a breach, an error message will display as below

The collateral value of nominal entered is breaching the isin headroom limit.

4. At the second user authorisation step, the Collateral Headroom Limit will recalculate.

Security Instruction Details   ✖

Lodge Security Instruction   Print

Instruction Reference	SD2564405	Sub Account	H ABC H ABC BANK LTD
Mnemonic	ABC		

Beneficial Owner	Proprietary		

ISIN	BE0000326356	Nominal Amount	1,000,000.00
	BondBGB 4 03/28/32-66/0D/28/03/2032/4%	Collateral Headroom Limit	Calculating collateral headroom, please wait...
Trade Date	20/02/2024	Collateral Value	1,029,594.26
		Settlement Date	20/02/2024
Custodian Account	Euroclear Bank 91205 Global Account		

Receive From	EUROCLEAR - Euroclear Bank
Delivering Agent ::DEAG/	ECLR/
Delivering Party ::SELL/	BIC/

[Authorise] [Reject] [Request Cancellation]

5. The authoriser must wait for the calculation to complete before they are able to Authorise or Reject the instruction. It can only be authorised if the lodge is within the non cash collateral limits, an example of which is shown below