Management of Non Guaranteed Securities / LCH.Clearnet SA

Non-guaranteed trades benefit from a reduced CCP service offer which could differ depending on the market.

From a clearing and settlement point of view, the differences and similarities are outlined in the summary spread sheet.

The list of non-guaranteed products can be found on LCH.Clearnet SA 's corporate website in the Equities section on the following pages:

NYSE Euronext

Bourse de Luxembourg

Clients can also refer to the related Notice: 2006-0109 "Transactions guaranteed by LCH.Clearnet SA" also available on the website.

	Market Segment	France	Netherlands	Belgium	Luxembourg	Portugal
	CSD / ICSD	ESES/EB	ESES/EB	ESES/EB	CBL/EB	Interbolsa
Clearing	Transmission of 5011 msg (with guarantee indicator set to"N") to CMFs	YES	YES	YES	YES	YES
	Transmission of 5021 msg (Postings) to CMFs	YES	YES	YES	YES	YES
	Information available on eCCW (visible with the guarantee indicator set to"N")	YES (ie until the end of t+2)	YES (ie until the end of t+2)	YES (ie until the end of t+2)	YES (ie until the end of t+2)	YES (ie until the end of t+2)
	Information in the PR3 position records	NO	NO	NO	NO	NO
	Trades legs available in TLRF file (optional file)	YES	YES	YES	YES	YES
	Application of Corporate Events on flows (T, T+1,T+2)	YES	NO	NO	NO	NO
	Accrued Interest for Trade Valuation	YES	YES	YES	YES	YES
		Only For Bonds with "Clean Price"; For "Dirty Bonds" accrued interest is included in the traded price				
Settlement	Transmission of DVP Instructions (Outbound) to CSD / ICSD	YES (a) (Sent evening of ISD - 1)	NO (b)	NO (b)	YES (Sent evening of Trade Date)	-
	Settlement instructions sent to Portuguese CSD	-	-	-	-	(C)
	Availability in the SIF/BIF settlement files	YES (Available evening of ISD-1) SIF / Record 65 *Trade Leg ID N°*	NO	NO	NO (sent to ICSDs on Trading Date)	NO
	Management of fails returned by CSD / ISCD	NO	NO	NO	NO	NO

(a)   Management rule : If the 2 CMFs (via their Settlement Agent) do not settle in the same CSD (for example : "ESES" / "EB"), the Non Guaranteed instruction is rejected and requires an OTC entry by the two counterparties .

(b)   Management of DVP on bilateral basis, via OTC instructions, selling CMF to buying CMF via their Back Offices.

(c)   LCH.Clearnet SA sends to Interbolsa on T (Trade Date) 2 files : the first with trade legs and the counterpart, the second with the instructions and respective settlements agents / settlement accounts.