

# LCH Ltd - Collateral Services 2018 Roadmap

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# LCH Ltd Collateral Service – 2018 Roadmap

	2018				Future ...
Asset Protection and Portability	1. Central Banks as Concentration Banks		2. Client directed transfers improvements		
Collateral Velocity & Efficiency		3. Changes to Collateral Fee reporting	4. CSD Account Segregation	5. FX Haircuts	
Market Infrastructure Services			6. Swiss Payments Upgrade 7. Margin Calls via Triparty	8. SWIFT Standards Release 9. Support for SFTR	10. Eligible collateral extensions 11. DTC Triparty

# 2018 Initiatives – Asset Protection and Portability, page 1

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## 1. Central Banks as Concentration Banks

- In anticipation of the continued strong growth in clearing, and to enhance our compliance with CPMI IOSCO Principles, LCH will continue its project to migrate our concentration accounts to central banks where possible and practicable.

## 2. Client directed transfer improvements

- Online nomination (and consent) of which collateral to transfer for EMIR Account Migrations and Client Portfolio Transfers between carrying and receiving Clearing Members.

# 2018 Initiatives – Collateral Velocity & Efficiency, page 1

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## 3. Changes to Collateral Fee reporting

- Providing Clearing Members with enhanced reporting of existing cash and non-cash collateral fees.

## 4. CSD Account Segregation

- Providing Clearing Members with the choice between omnibus and individual account segregation at the CSD for their pledged collateral, as required under Central Security Depository Regulation (CSDR) .

## 5. FX Haircuts

- Improved transparency in the application of FX haircuts for collateral (cash and non-cash) and remove the FX haircut floor on the account-level haircut (currently at 5.25% on securities) to realise the full benefit of only applying an FX haircut on collateral where there is a mismatch between the main currency of risk in the cleared trade portfolio and the collateral currency.

# 2018 Initiatives – Market Infrastructure Services, page 1

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## 6. Swiss Payments Upgrade

- Migrating Swiss central bank concentration flows to ISO 20022.

## 7. Margin Calls via Triparty

- Offering Clearing Members who utilise triparty collateral services the added benefit of satisfying LCH Ltd margin calls directly with securities.

## 8. SWIFT Standards Release

- Update to the CMS Messaging Service to support of the latest 2018 SWIFT Standards.

## 9. Support for SFTR

- Support for the reporting of Securities Financing Transactions (SFTs), as related to LCH Ltd's investment activity, to an ESMA registered trade repository as required by Regulation (EU) 2015/2365

## 10. Eligible collateral extensions

- Support for expanded eligible collateral options. Those currently under consideration include: EIB and Equities (all changes are subject to Clearing House and regulatory approval)

## 11. DTC Triparty

- Allow members, subject to dependencies and regulatory review and/or approval, to utilize Global Collateral Ltd (Euroclear – DTCC joint venture) Tri-party platform to provide securities as margin cover.

# Contact Us

Want to know more?

# Contact Us

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