

Notice

RULES AND REGULATION-LCH.Clearnet SA
Notice 2013-097

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Triparty Repo main characteristics **Principales caractéristiques des Pensions Livrées Tripartites**

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Markets	Triparty Repo

Pursuant to Instruction V.4-4, related to the Clearing and settlement of Triparty Repos, this Notice sets forth the main characteristics of the product.

1 – Characteristics of triparty repos

Triparty Repos are cash Repo Transactions in Euros, secured by collateralising securities belonging to pre-defined baskets of securities (Triparty Repos Financial Instrument):

- Minimum tradable cash amount 1,000,000 euros
- Maximum maturity is one year,
- Maximum forward period is 10 days,
- The Triparty Repo Interest is calculated as follows: exact/360,
- The full Triparty Repo Interest is paid at Return date.
- Collateralising securities must be part of the ECB eligibility list,
- Only collateralising securities denominated in Euro are eligible,
- Optional securities (callable, puttable, sinkable, convertible, ...) are not eligible,
- Any asset without negotiation or executable prices during two business days will be automatically substituted at CMS level,
- Any asset with a maturity date lower or equal to 10 business days will be automatically substituted at CMS level,
- Any asset with a known Corporate Event will be substituted 10 days prior to the Event.

2 – Eligible collateralising securities

The collateralising securities are allocated, valued and managed by Euroclear Collateral Management System (CMS) according to its Rules.

Two eligible baskets (Triparty Repo Financial Instruments) are defined based on Eurosystem Single eligible list. For each basket, 1 pseudo ISIN codes has been created:

Basket 1 = "LCR Equivalent" (LCR: "Liquidity Coverage Ratio")

- Code XS0708254148

Basket 2 = "ECB Eligible Restricted" (superset of Basket 1)

- Code XS0708254817

En application de l'Instruction xx, relative à la compensation et au dénouement des Pensions Livrées Tripartites, le présent Avis décrit les principales caractéristiques du produit.

1 – Caractéristiques des pensions livrées tripartites

Les Pensions Livrées Tripartites, sont des Pensions Livrées sur espèces en euros, **garanties par la remise de titres appartenant à des paniers prédéfinis (Instruments Financiers Pensions Livrées Tripartites):**

- Montant espèces minimum négociable 1,000,000 euros
- Echéance maximum un an,

- Départ différé (forward period) maximum 10 jours,
- L'intérêt sur les Pensions Livrées Tripartites est calculé comme suit : nombre de jours effectif/360,
- L'intérêt sur les Pensions Livrées Tripartites est payé en totalité à la date de restitution.
- Les titres remis en garantie doivent faire partie de la liste d'éligibilité ECB,
- Seuls les titres libellés en euros peuvent être remis en garantie,
- Les titres optionnels (« callable », « putable », « sinkable », « convertible », ...) ne sont pas éligibles,
- Tout actif non négocié ou sans prix d'exécution pendant deux jours ouvrés est automatiquement substitué au niveau de CMS,
- Tout actif ayant avec une date d'échéance inférieure ou égale à 10 jours ouvrés est automatiquement substitué au niveau de CMS,
- Tout actif devant faire l'objet une opération sur titres sera substitué 10 jours avant la date de l'opération.

2 – Titres éligibles pour la remise en garantie

Les titres remis en garantie sont alloués, valorisés et gérés par Euroclear Collateral Management System (CMS) conformément à ses règles.

Deux Paniers de titres éligibles (Instruments Financiers Pensions Livrées Tripartites) sont définis sur la base de la liste d'éligibilité « Eurosystem Single eligible list ». Pour chaque Panier, 1 pseudo code ISIN code a été créé:

Panier 1 = "LCR Equivalent" (LCR: "Liquidity Coverage Ratio")

- Code XS0708254148

Panier 2 = "ECB Eligible Restricted" (sub-division du Panier 1)

- Code XS0708254817

Basket 1/Panier1: LCR Equivalent

ECB eligible category	Type	Issuance Rating eligible	Issuance rating concentration limit of Collateral Taker NPE	Product category concentration limit of Collateral Taker NPE	Issuer concentration limit of Collateral Taker NPE
Category 1 (L1A): Central Government (IG2) and Central Bank (IG1)	AT01, AT02, AT03	AAA	100%	AT01+AT02 +AT03 ≤ 100%	Consolidated Issuer Group ≤ 100%
		AA+	100%		
		AA	100%		
		AA-	100%		
		A+	100%		
		A	100%		
Category 2 (L1B): Local and Regional government debt (IG5), agency non-credit institution (IG7) +agency credit institution (IG8) and supranational debt (IG6), Credit Institution (IG4), Financial corporation other than Credit Institutions (IG9)	AT01, AT02, AT03,	AAA	100%	AT01+AT02 +AT03 ≤ 100%	Consolidated Issuer Group ≤ 15%
		AA+	100%		
		AA	100%		
	AT09,	AAA	20%	AT01+AT02 +AT03 + AT09 + AT10 ≤ 40%	
		AA+	20%		
		AA	20%		
	AT10	AA-	20%		
		AAA	20%		
		AA+	20%		
AA		20%			
Category 3 (L1C): Corporate (IG3), Credit Institution (IG4), Financial corporation other than Credit Institutions (IG9)	AT01, AT02, AT03, AT10	AAA	20%	AT01+AT02 +AT03 + AT10 ≤ 40%	Consolidated Issuer Group ≤ 15%
		AA+	20%		
		AA	20%		
		AA-	20%		

Basket definition as of September 2012

where

AT01: Bond assets

AT02: Medium Term Note , i.e. medium-term assets

AT03: T-bill, Commercial Paper, Certificate of deposit, i.e. short-term assets

AT09: Jumbo covered bonds (volume higher than € 1 billion)

AT10: Covered bonds (volume lower than € 1 billion)

NPE: Net Position Exposure

Basket 2/Panier 2: LCR Eligible Restricted

ECB eligible category	Type	Issuance Rating	Issuance rating concentration limit of Collateral Taker NPE	Product category concentration limit of Collateral Taker NPE	Issuer concentration limit of Collateral Taker NPE
Category 1 (LIA): Central government (IG2) and Central Bank (IG1)	AT01 AT02 AT03	AAA	100%	AT01+AT02 +AT03 ≤ 100%	Consolidated Issuer Group ≤ 100%
		AA+	100%		
		AA	100%		
		AA-	100%		
		A+	100%		
		A	100%		
		A-	100%		Consolidated Issuer Group ≤ 30%
		BBB+	30%		
		BBB	30%		
		BBB-	30%		
AAA	100%	AT01+AT02 +AT03 ≤ 100%	Consolidated Issuer Group = 15%		
AA+	100%				
AA	100%				
AA-	100%				
A+	20%				
A	20%				
A-	20%				
BBB+	20%				
BBB	20%				
BBB-	20%				
Category 2 Local and regional government debt (IG5), Agency non-credit institution (IG7) + agency credit institution (IG8) and supranational debt (IG6), Credit institution (IG4), Financial corporation other than Credit Institutions (IG9)	AT01, AT02, AT03	AAA		20%	AT09 +AT10 ≤ 40%
		AA+		20%	
		AA		20%	
		AA-		20%	
		A+		20%	
		A		20%	
		A-		20%	
		BBB+		20%	
		BBB		20%	
		BBB-		20%	
Category 3 (LIC): Credit institution excluding agency (IG4) Corporates and other issuers (IG3) Financial Corporation (IG9)	AT01, AT02, AT03 AT10	AAA	20%	AT01+AT02 +AT03 +AT10 ≤ 40%	
		AA+	20%		
		AA	20%		
		AA-	20%		
		A+	20%		
		A	20%		
		A-	20%		
		BBB+	20%		
		BBB	20%		
		BBB-	20%		
Category 4 (LID): (IG4) Credit institutions (excluding agency) Financial Corporation (IG9)	AT01, AT02, AT03	AAA	15%	AT01+AT02 +AT03 ≤ 40%	
		AA+	15%		
		AA	15%		
		AA-	15%		
		A+	15%		
		A	15%		
		A-	15%		
		BBB+	15%		
		BBB	15%		
		BBB-	15%		


Basket definition as of September 2012

where: AT01: Bond assets
 AT02: Medium Term Note, i.e. medium-term assets
 AT03: T-bill, Commercial Paper, Certificate of deposit, i.e. short-term assets
 AT09: Jumbo covered bonds (volume higher than € 1 billion)
 AT10: Covered bonds (volume lower than € 1 billion)
 NPE: Net Position Exposure

where AT01: Bond assets
 AT02: Medium Term Note, i.e. medium-term assets
 AT03: T-bill, Commercial Paper, Certificate of deposit, i.e. short-term assets
 AT09: Jumbo covered bonds (volume higher than € 1 billion)
 AT10: Covered bonds (volume lower than € 1 billion)
 NPE: Net Position Exposure

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