

Clearing Notice

2019/183

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Effective from 17 October 2019

CDSClear – Daily Backloading Cycle

In accordance with Section 3.1.2 of the CDS Clearing Rule Book and Section 5 of the CDS Clearing Procedures, LCH SA will perform a Daily Backloading Cycle in accordance with the timetable set out below :

PROCESSING SCHEDULE OF THE DAILY BACKLOADING PROCESS		
No.	Time (all references below are to Continental European Time)	Action
Day 1	On any Business Day (D): During the Real Time Session	<p>Upon receipt of Original Transaction Data relating to a Daily Backloading Transaction from an Approved Trade Source System, LCH SA will, in the following order, perform:</p> <ul style="list-style-type: none"> (i) the Eligibility Controls, and (ii) in respect of Client Backloading Transactions only, the Client Transaction Checks (i.e. the process to ensure that each Nominated Clearing Member has consented to the registration of the relevant Client Trade Leg(s), in the relevant Client Trade Account(s)).
	D By 19:30	<ul style="list-style-type: none"> (i) If a Daily Backloading Transaction does not satisfy the Eligibility Controls, or (ii) in respect of a Client Backloading Transactions only, if either Nominated Clearing Member rejects, or fails to respond to, a Consent Request (as defined in paragraph 5.3(a) of Section 5 of the Procedures) by 19:30,

		the relevant Daily Backloading Transaction will become a Rejected Transaction and LCH SA will inform the relevant Approved Trade Source System and each relevant Clearing Member.
	D Until 19:30	A Daily Backloading Transaction, which has successfully passed the Eligibility Controls and the Client Transaction Checks (if applicable), can be removed at any time prior to 19:30 from the Daily Backloading Cycle, provided that each of the relevant Clearing Members agrees to such removal and sends an email to LCH SA which specifies the Transaction Data of the Daily Backloading Transaction which should be removed from the Daily Backloading Cycle.
	D By 19:30	All Daily Backloading Transactions which: (i) have successfully passed the Eligibility Controls and Client Transaction Checks (if applicable), and (ii) have not been removed from the relevant Daily Backloading Cycle by 19:30 by the relevant Clearing Members, will become Irrevocable Daily Backloading Transactions.
Day 2	D+1 (provided that it is a Clearing Day): 02:00 – 04:00	Irrevocable Daily Backloading Transactions will be pre-registered in the relevant Client Account Structures of each Clearing Member save: (i) Irrevocable Daily Backloading Transactions which have been removed from the TIW (where LCH SA is able to ascertain such fact), if any, and/or (ii) Irrevocable Daily Backloading Transactions which no longer meet all the Eligibility Requirements, if any. It is anticipated that LCH SA will be able to ascertain the fact mentioned in (i) above only in respect of House Trade Legs because it is unlikely that Clients will authorise DTCC to provide LCH SA with the details of their entire CDS portfolio. Where an Irrevocable Daily Backloading Transaction is not pre-registered in a Clearing Member's Client Account Structure in accordance with Section 5 of the Procedures, such Irrevocable Daily Backloading Transaction shall become a Rejected Transaction.
	D+1 (provided that it is a Clearing Day): As soon as technologically practicable after the Morning Call	Novation of the pre-registered Irrevocable Daily Backloading Transactions which have not become Rejected Transactions shall be undertaken by LCH SA.

Capitalised terms used in this Clearing Notice and not otherwise defined herein shall have the meaning given pursuant to the document entitled "CDS Clearing Rule Book" published by LCH SA, as amended from time to time.

Any amendments or modifications to the content of this Clearing Notice will be published by LCH SA in an updated Clearing Notice.

LCH SA

Email: Legal.SA@lch.com
Website : lch.com



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