

Clearing Notice

2019/184

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Effective from 17 October 2019

CDSClear – Weekly Backloading Cycle

In accordance with Section 3.1.1 of the CDS Clearing Rule Book and Section 5 of the CDS Clearing Procedures, LCH SA will perform a Weekly Backloading Cycle in accordance with the timetable set out below :

PROCESSING SCHEDULE OF THE WEEKLY BACKLOADING CYCLE		
No.	Time (all references below are to Continental European Time)	Action
Day 1	Monday (the Weekly Backloading Start Day): By 02:00	LCH SA receives the Gold Records File from DTCC.
	Monday: By:09:30	On the basis of the Gold Records File, LCH SA prepares the Clearing Eligibility Report which it makes available to each Clearing Member via any reporting mechanism specified in a Clearing Notice. The Clearing Eligibility Report contains, in respect of each Clearing Member, the Weekly Backloading Transactions which have successfully passed the Eligibility Controls.

Day 2	Tuesday: By 17:00	<p>Each Clearing Member shall upload on any means of access specified in a Clearing Notice an updated Clearing Eligibility Report containing only the Weekly Backloading Transactions that such Clearing Member wishes to submit for clearing to LCH SA (the “CM Clearing Eligibility Report”). A Clearing Member may provide an amended CM Clearing Eligibility Report, which will replace the previous CM Clearing Eligibility Report upon receipt by LCH SA.</p> <p>If a Clearing Member does not return any CM Clearing Eligibility Report by 17:00, none of its Weekly Backloading Transactions will be included in the Weekly Backloading Cycle.</p>
Day 3	Wednesday: By 08:00	<p>LCH SA shall carry out the following actions:</p> <ul style="list-style-type: none"> (i) reconcile the CM Clearing Eligibility Reports received from all Clearing Members in order to determine the Weekly Backloading Transactions for which both relevant Clearing Members have designated for clearing in their respective CM Clearing Eligibility Reports. Such matching Weekly Backloading Transactions will constitute the Eligible Weekly Backloading Transactions, (ii) reconcile the Eligible Weekly Backloading Transactions with the latest Gold Records File to ensure that such Eligible Weekly Backloading Transactions have not been removed from the TIW, (iii) provide, on the basis of the results of the reconciliations set out in (i) and (ii) above, each Clearing Member with a DTCC Matching and Eligibility Report containing those of their Eligible Weekly Backloading Transactions which have not been removed from the TIW, and (iv) provide each Clearing Member with the Simulation Margin Requirements Result File which is (x) prepared on the basis of the End of Day Contributed Prices provided to LCH SA on Tuesday in accordance with paragraph 5.15 of Section 5 of the Procedures and (y) contains an estimate of the House Margin Requirement that would be required if the Eligible Weekly Backloading Transactions contained in the DTCC Matching and Eligibility Report were registered as Cleared Transactions in the Clearing Member’s House Account Structure at the time of such estimate.
Day 3	Wednesday: By 11:00	<p>An Eligible Weekly Backloading Transaction may be removed from the Weekly Backloading Cycle provided that (i) both relevant Clearing Members agree to such removal and (ii) each relevant Clearing Member sends an email to LCH SA which specifies the Transaction Data of the Eligible Weekly Backloading Transaction which should be removed from the Weekly Backloading Cycle.</p>

	<p>Wednesday: By 11:00</p>	<p>If it appears that an error has been made by LCH SA in a DTCC Matching and Eligibility Report and the Eligible Weekly Backloading Transactions included in such report are not the same as the Weekly Backloading Transactions of the relevant Clearing Members (save where there is a discrepancy owing to particular Weekly Backloading Transactions having been removed from the TIW between 19:30 on Tuesday and the issuance of the DTCC Matching and Eligibility Report), the relevant Clearing Member shall notify this error by email to LCH SA.</p>
	<p>Wednesday: By 12:00</p>	<p>If LCH SA confirms that an error has been made in a DTCC Matching and Eligibility Report, the Weekly Backloading Cycle will be cancelled and LCH SA shall inform each Clearing Member of such cancellation by 12:00.</p>
	<p>Wednesday: By 12:00</p>	<p>LCH SA will confirm to each Clearing Member whether the Weekly Backloading Cycle will proceed or not. Upon such confirmation, all Eligible Weekly Backloading Transactions (excluding any Weekly Backloading Transactions that have become Rejected Transactions) shall become Irrevocable Weekly Backloading Transactions.</p>
<p>Day 4</p>	<p>Thursday: (the Weekly Backloading Novation Day) 02:00 – 04:00</p>	<p>Irrevocable Weekly Backloading Transactions will be pre-registered in the House Account Structure of each relevant Clearing Member save:</p> <ul style="list-style-type: none"> (i) Irrevocable Weekly Backloading Transactions which have been removed from the TIW, if any, and/or (ii) Irrevocable Weekly Backloading Transactions which no longer meet all the Eligibility Requirements, if any. <p>Where an Irrevocable Weekly Backloading Transaction is not pre-registered in a Clearing Member’s House Account Structure in accordance with Section 5 of the Procedures, such Irrevocable Weekly Backloading Transaction shall become a Rejected Transaction.</p>
	<p>Thursday: (the Weekly Backloading Novation Day) As soon as technologically practicable after the Morning Call</p>	<p>Novation of the pre-registered Irrevocable Weekly Backloading Transactions which have not become Rejected Transactions will be undertaken by LCH SA.</p>

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

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