

	N°	Title
	II.2-3	MANDATORY CLIENT CLEARING PROVISIONS

Pursuant to Article 2.2.3.11 of the Clearing Rule Book and to Articles 324-1 and 541-20 of the Règlement Général of AMF.

This Instruction lists the Mandatory Client Clearing Provisions to be included, under the responsibility of the Clearing Member, in the Clearing Agreement entered into with each of its Client.

CHAPTER 1 - LIST OF THE MANDATORY CLIENT CLEARING PROVISIONS TO BE INCLUDED IN THE CLEARING AGREEMENT WITH CLIENTS

The provisions of this Chapter 1 will be applicable to the agreement for the purpose of clearing eligible Transaction, entered between Clearing Members and their Non-Trading Members at the date of entry into force of the relevant provision of the General Regulations (*Règlement Général de l'AMF*) and as specified in a Notice.

Without prejudice to the above paragraph, the following Mandatory Client Clearing Provisions shall be included in the Clearing Agreements entered into between the Clearing Member and each of their Clients:

- The list of Regulated Markets/platforms and/or MTFs on which the Transactions are negotiated and for which the Clearing Member provides clearing services.
- The obligation of the Clearing Member to provide clearing services in compliance with the Clearing Rules.
- The ability of the Clearing Member to call for, and of the Client to pay Margins, such calls being made by the Clearing Member under its own responsibility in compliance with the Clearing Rules.
- The methods of registration of the Transactions and the obligation for the Clearing Member to keep accurate records of Transactions entered into.
- The requirement for the Clearing Member to maintain in its books and records an account structure in which is registered the positions and the assets of the client, in accordance with the level of segregation the Client has opted for.
- The power for the Clearing Member to liquidate the Positions of the Client and to sell off the Collateral provided by the client in case of failure of the latter.
- The terms and conditions of the suspension or termination of the Clearing Agreement or the terms and conditions of the Clearing Member ability to refuse any Transaction for clearing;
- Obligation for the Clearing Member to forthwith inform both LCH SA and the relevant market in case of termination or suspension of the Clearing Agreement.
- In case of suspension of the Clearing Agreement, obligation of the Clearing Member to ask LCH SA to have the Client's activities suspended on any relevant markets.
- The procedures applicable between the parties to the Agreement in the case of a default of the Client.
- The ability of the Clearing Member to impose Positions limits and loss limits or the description of any methodology used by the Clearing Member and having the same purpose.

- The terms under which according to its national regulation the Clearing Member can, in response to a request by LCH SA, reveal the identity, positions and solvency of order-givers.

CHAPTER II: LIST OF MANDATORY CLIENT CLEARING PROVISIONS TO BE INCLUDED IN THE CLEARING AGREEMENT WITH A TRADING MEMBER

The following Mandatory Client Clearing Provisions shall be included in the Clearing Agreements entered into between the Clearing Member and each of their Trading Members in addition to the Mandatory Client Clearing Provisions listed in Chapter I above:

- The status of the Trading Member (broker or dealer as defined in the Trading Rules) and the market on which the Trading Member has been authorised to trade by one of the Market Undertakings.
- If the Trading Member is a broker, the name of the party liable for calling margins on the entity initiating the order, and the corresponding terms and conditions if the liability is on the Clearing Member.
- For Transactions traded on Euronext Amsterdam:
 - A Power of Attorney ("statement of authority") to be granted by the Clearing Member to the Trading Member to trade in the name of the Clearing Member.
 - The obligation for the Clearing Member to inform LCH SA of the termination or suspension of the statement of authority.
- For Transactions executed or reported on Trading and Matching Platforms: The entire responsibility of the Clearing Member vis-à-vis LCH SA for any errors in data capture in the trading or matching system.