

	<b>N°</b>	<b>Title</b>
	<b>IV.1-2</b>	<b>POSITIONS LIMITS APPLICABLE ON THE MONEP</b>

#### Article 1

LCH SA hereby sets the maximum Open Position limits that shall apply on a continuing basis to the different categories of Derivatives listed on the Monep.

### **CHAPTER 1 POSITION LIMITS ON OPTION CLASSES**

#### Article 2: Scope of the limit

For option classes, the Open Position limit applies to each of the different accounts opened by Clearing Members, i.e. those held:

- as principal;
- as Market Maker (where applicable);
- for its direct clients;
- on behalf of non-clearing intermediaries.

If a Clearing Member operates directly as a Market Maker, all Open Positions registered in its house Position Account and Market-Making Position Account are aggregated.

#### Article 3: Open Positions included in the limit

In a given option class, the limit's base is as follows:

- for house and Market-Maker Position Accounts – net Open Positions, after offsetting opposing Open Positions in the same option series;
- for client Positions Accounts - gross Open Positions by option series, without netting long and short Open Positions held by different clients.

For each Position Account, the Open Positions thus determined by series for a given class are aggregated by cumulating calls held plus puts written, on the one hand, and puts held plus calls written, on the other hand.

#### Article 4: Definition of the limit

Open Positions, as defined above, must not exceed 30% of open interest.

Open interest is defined as the total outstanding Open Positions for all series of a given option class. Open interest is published daily by LCH SA.

The position limit applies whenever open interest in an option class exceeds 5,000 contracts.

## **CHAPTER 2      POSITION LIMITS ON FUTURES CONTRACTS**

### Article 5: Definition of the limit

A given Clearing Member acting for its own account or a given client may not maintain a total net Open Position exceeding 30% of overall open interest of a given futures contract for all the maturities together.

The Open Position limit applies once overall open interest all maturities together exceeds 50,000 contracts.

Furthermore, during the closing day of a futures contract maturity, a given Clearing Member acting for its own account or a given client may not maintain a net Open Position exceeding 30% of the open interest of the maturity concerned.

This additional limit applies once the open interest of the maturity concerned exceeds 15,000 contracts.

The overall open interest figure used as a reference is published daily by LCH SA.

## **CHAPTER 3      COMMON PROVISIONS**

### Article 6: Application conditions

When the Open Position limits set by this Instruction are reached or exceeded, LCH SA shall make a case-by-case review of the reasons therefor.

LCH SA may grant specific exemptions in particular cases, notably for options, when the excess results from the Positions of several clients.

Accordingly, whenever Monep commitments for which they are acting as Clearing Member reach or exceed the limits established, Clearing Members must supply LCH SA, on request, with information regarding the management of those commitments.

When the Positions of a Trading Member cause the limits to be exceeded, the Trading Member must answer LCH SA's requests for information.

In the absence of a specific exemption to the contrary, a Clearing Member or Trading Member whose positions exceed the limits must re-establish compliance by reducing its positions if the member's positions caused the excess or by accepting only orders that close outstanding positions from the client(s) causing the excess.