

	N°	Title
	IV.4-2	CASH PAYMENTS

## CHAPTER 1 PRELIMINARY PROVISIONS

### Article 1

This Instruction applies to all Cash Payments to be performed within the framework of the clearing activities related to transactions executed on Securities, Derivatives Products Groups and debt Securities traded through Trading and Matching Platforms and MTS Italy Regulated Market.

### Article 2

This Instruction applies to Clearing Members and Agent Members, in the meaning defined in the Clearing Rule Book.

### Article 3

The term “Cash Payment” shall amount to the aggregated sums due by a Clearing Member or Agent Members to LCH SA, or to be received by a Clearing Member or Agent Members from LCH SA, resulting from:

- as far as Derivatives Markets are concerned: completion of cash settlement with regards to option products, Variation Margin, premium, financial corrections (e.g. additional Margin, fee completion), any fees due to LCH SA (trading and Clearing Fees, exercise and assignment fees) and any other cash amounts (other than collateral contributions), to be paid in EURO or any other currency;
- as far as Securities Markets are concerned: penalties on Net Fails, any fees due to LCH SA (Clearing Fees, delivery fees), IPU dividends, and any other cash amounts (other than collateral contributions), to be paid in EURO or any other currency;
- as far as Trading & Matching Platforms Markets are concerned: penalties on Net Fails, any fees due to LCH SA (Clearing Fees, delivery fees), financial corrections, coupons payment, interest and any other cash amounts (other than collateral contributions), to be paid in EURO or any other currency.

The “Cash Payment” is calculated daily and sent by LCH SA to the Clearing Members or Agent Members, as the case may be..

## CHAPTER 2 ARRANGEMENTS RELATED TO PAYMENTS IN EURO THROUGH TARGET2

### Section 2.1 Common provisions

#### Article 4

The provisions of this chapter are applicable to any payment in EURO arising under the provisions of the Clearing Rules and more especially to Cash Payments, (i.e. other than Collateral contribution) when performed in EURO.

**Article 5**

The payments in EURO are performed through LCH SA access to the Ancillary System Interface of TARGET2 for final payment in TARGET2 and credited on a TARGET2 Account opened in the name of LCH SA in the books of Banque de France, within the time limits set-out in a Notice.

The Clearing Member (other than a Sponsored Member) and the Agent Member of a Sponsored Member must therefore hold a TARGET2 Account with one of the central banks active in TARGET2, either directly, or, for Clearing Members only, be represented by a Payment Agent holding a TARGET2 Account with one of these central banks active in TARGET2.

In the latter case the Clearing Member enters into an agreement with a Payment Agent whereby the Payment Agent undertakes to pay to LCH SA or receive from LCH SA the amounts in EURO, on behalf of the Clearing Member. For the avoidance of doubt, the Agent Member of a Sponsored Member will act as such Payment Agent on behalf of such Sponsored Member.

**Article 6**

The Agent Member and, if the Clearing Member (other than a Sponsored Member) directly holds a TARGET2 Account with one of the central banks active in TARGET2, the Clearing Member shall provide LCH SA with a dully fulfilled TARGET 2 form.

If the Clearing Member is represented by a Payment Agent holding a TARGET2 Account with one of the central banks active in TARGET2, its Payment Agent shall provide LCH SA with a dully fulfilled TARGET2 form and the Clearing Member shall provide a Declaration of Compliance covering its arrangement with its Payment Agent.

**Article 7**

Cash Payments to be made at the same time on the same Clearing Day shall be netted.

**Article 8**

The Variation Margin requirements shall be paid in cash denominated in EURO only.

**Section 2.2 Transfer of excess of cash****Article 9**

If the Clearing Member or Agent Member wishes to avoid the daily payment through LCH SA access to Ancillary System Interface, it should transfer excess cash in Euro to the TARGET2 Account of LCH SA within Bank of France.

**Article 10**

The Clearing Member or Agent Member shall transfer the funds to LCH SA (Treasury Department) via TARGET 2 Account at the latest before 10.00 a.m. CET for value date D.

**Article 11**

This excess cash in Euro shall be registered in an account held in the name of the Clearing Member or Agent Member in the books of LCH SA.

**Article 12**

In the event of any amount due to LCH SA, the excess cash will be debited from the corresponding amounts.

If the amount due to LCH SA exceeds the available excess cash transferred by the Clearing Member or Agent Member to LCH SA, LCH SA shall call for payment, as relevant, the Clearing Member (or its Payment Agent) or Agent Member on its TARGET2 Account.

In the event of any amount due by LCH SA to the Clearing Member or Agent Member, the excess cash will be increased by the corresponding amount.

**Article 13**

The excess cash is transferred by the Clearing Member or Agent Member to LCH SA outright under the terms set forth in Article L 211-38 of the French Monetary and Financial Code.

**Article 14**

LCH SA will apply interest on this excess cash according to the conditions set out in its fee grid.

**CHAPTER 3 ARRANGEMENTS RELATED TO CASH PAYMENTS IN CURRENCIES OTHER THAN EURO****Article 15**

A Clearing Member clearing Transactions carried out on Euronext Amsterdam Derivatives markets or Oslo Bors Derivatives Market, denominated in US Dollar ("USD"), Swedish Krone ("SEK"), Danish Krone ("DKK"), Norwegian Krone ("NOK"), British Pound ("GBP") and/or Franc Suisse ("CHF") shall fulfil its Cash Payment requirements, by crediting directly or indirectly accounts opened by LCH SA in the books of one of the eligible banks listed in Annex 1.

For this purpose, a Clearing Member (or its Payment Agent) shall hold an account opened with one of the eligible banks listed in Annex 1 and provide LCH SA with a Power of Attorney to debit and credit such an account. Where Powers of Attorney are not accepted under the rules of an eligible bank listed in Annex 1, the Clearing Member shall be obliged to credit directly, at the beginning of each Clearing Day, within one hour following LCH SA's request to do so and based on information provided by LCH SA, the account(s) opened by LCH SA in the books of the same bank.

By exception to the above, in any circumstance preventing the Cash Payments from being performed in one of the currencies mentioned above, LCH SA shall be entitled, and inform the Clearing Members of its intention, to convert, using a reasonable rate of exchange, any amount denominated in one of the currencies mentioned above in Euro. As a consequence, the Cash Payments shall be performed in Euro, in accordance with the provisions of Chapter 2 of this Instruction.

**Article 16**

Clearing Members may allow their Clients or Trading Members to fulfil their Variation Margins and Option Premium obligations/requirements in a currency different from the Financial Instrument's one, provided that daily adjustments are made to reflect exchange-rate fluctuations.

Option Premiums are paid on the Clearing Day following the Transaction day.

**ANNEX 1**

**LIST OF ELIGIBLE BANKS FOR THE CASH PAYMENTS RELATED TO DERIVATIVES  
DENOMINATED IN USD, SEK, DKK, NOK, GBP AND/OR CHF**

KAS BANK N.V.

CITIBANK EUROPE PLC (DUBLIN)

NORGES BANK