

EquityClear

Open access in practice

LCH SA's EquityClear service has partnered with some of Europe's leading exchanges and execution venues, enabling members and their clients to centrally clear thousands of traded instruments across multiple asset classes.

Through MiFiR's open access provisions, equity market participants have a wider choice of where to clear. Some of these choices are explained below.

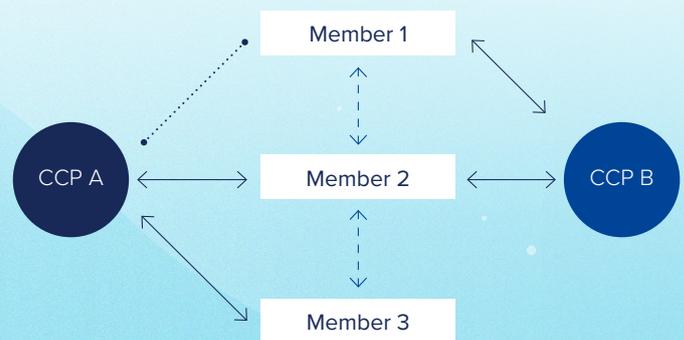
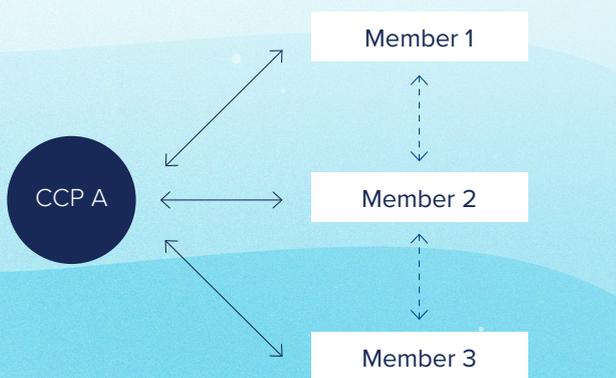
Difference between single central counterparty (CCP) and preferred clearing model

Single CCP clearing

- Clearing for trading venues that have selected a single CCP to act as the default choice requires all trading participants to maintain clearing arrangements with that single CCP, and be subject to the fees set by that CCP
- When a trade is eligible for clearing and occurs between trading participants who are also members of the single CCP, such a trade is novated into two contracts, one between each participant and the CCP

Preferred clearing

- As with single CCP clearing, all trading participants of a specific venue must be members of the venue's elected default choice CCP A
- Here, Members 1 and 2 are also both members of their preferred CCP B
- Trades are always cleared by the venue's default CCP A, unless both counterparties to the trade agreed to clear via the preferred CCP B in their open access setup. If one side appoints CCP B as its preferred CCP and the other makes no election (or elects a different preferred CCP), the trade will clear through the default CCP A

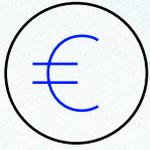


Principal contract and membership

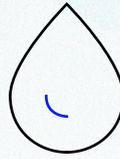
 Trade

 Membership only

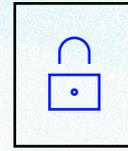
Why appoint LCH SA as your preferred CCP for MTF flows?



LCH SA provides compelling clearing fee schedules for those who choose to appoint LCH SA as their preferred CCP, as well as cost-efficient CCP settlement solutions across European CSDs.



LCH SA offers the deepest pool of liquidity for the clearing Euronext-eligible securities.



EquityClear place robust risk management and the protection of our members and their clients at the centre of everything we do.



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