

Member Notification

LCH SA EquityClear Cash Equities : VaR Go live

19 May 2022

Dear LCH SA Cash Equity Members,

We are pleased to confirm that LCH SA has now received all required regulatory approvals to proceed with the launch of its new VaR Expected Shortfall risk model.

As a consequence of the above :

- The go live date is set on **24th of June close of business**
- LCH has agreed to extend for members the testing till 3rd of June included

Please note, we will not be able to provide any delay to our members as this migration is one-off migration for all LCH SA EquityClear members.

1. Summary of the main steps for this migration

What	When	Description	Impacts
Margin calculation	As of Friday 24 th of May COB	LCH SA will apply the new margin framework on open positions (i.e not yet settled positions)	- Members will benefit from the new margin model calculation under VaR/ES framework for both end of day (Friday evening) and intraday margins (Monday morning)
	Monday 27 th of May	1 st margin call under VaR/ ES processed in between 8.00am and 9.00am CET Intraday margins will be called throughout the day (3 intraday will be called as of today)	

Private Clearing & Risk Reports	As of Friday 24th of May COB	Updated version* of existing Clearing files will be available in Portal and publication of new private reports related to VaR/ES will be released	- Clearing files will be delayed with an ETA between 10.30pm and 12.30 am CET in BAU (and please note that the delay could be extended depending on the course the day of the migration) * Existing impacted files ('CMF Margin Positions', 'CMF PA Positions', 'NCM Positions', 'CMF Margins' and 'NCM Margins')
	Monday 27th of May	All intraday files under VaR/ES available in Portal	* New files disclosed ('Specific Margins Parameters' & 'CMF MA LCRM Breakdown') - Decommissioning of the 'NCM Add-on Margins file'
Treasury reports	Monday 27th of May	Daily_MC (txt) and AC0102 (XML) will report the new margins related to VaR/ES	- Margin will be reported in the "Final Initial Margin" field - "Liquidation Risk", "Negotiation Risk" and "Wrong Way Risk" will be set to 0
Public reports	As of Friday 24th of May COB	New public files under VaR/ES available in Portal	- New files disclosed ('Margin Parameters & VaR/ES Risk Factors') - Decommissioning of 'SPAN® Expanded format File' (also called SPAN® Parameters file)
	Monday 27th of May	All new intraday Public files under VaR /ES available in Portal	

Nota bene :

- All Clearing Reports and Risk reports (private and public) will be **available in Portal** (production environment) on <https://clearingservices.lchclearnet.com> on Friday evening with the VaR/ES enhancements ;
- The **latest version of the VaR/ES documentation** is accessible via your Secure Area LCH Group - Secure Area (lchclearnet.com) and contains additional details related to prices used for computation :
 - In the « Functional Specification FLR2.0 », additional information in section 2.3.3

- In the Cash Equities files specification, the description of the following fields have been detailed: Settl Price, CVM Buy Price and CVM Sell Price have been amended in the different concerned reports (positions and parameters files).

2. Dedicated support during the migration -

The EquityClear IT Support team would be your dedicated point of contact during the migration date (24th of June). The team can be contacted at SA.EquityClearIT.Support@lch.com

Alternatively, you can contact Mounir Jaafari (Head of IT Client Support team for SA EquityClear) for escalation at Mounir.Jaafari@lseg.com / +33 6 71 86 91 37.

3. Reminder on what needs to be done ahead of the migration

Ahead of the migration, make sure that you have provided the BDRM EquityClear team with the main point of contact within your organization supervising the migration. Note that we may also send you ad-hoc communication during this migration.

The EquityClear Business Development & Relationship Management team (SAEquityClear@lch.com) remains at your disposal should you need any further information.

Kind regards,
LCH SA EquityClear

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