



Member Notification

EquityClear SA – Cash Equities : CSDR update

Test and Dry Run timelines

September 28th, 2021

Dear Cash Equity Members,

Further to our previous [communication from 23rd July 2021](#), regarding the implementation of the CSDR settlement discipline regime (the “SDR”) scheduled to enter into force on February 1st 2022, we would like to update you on the tests and dry run timelines.

TESTS & DRY RUN AGENDA

1. [Internal Member testing phase](#)

LCH SA will offer to test in PORTAL the new SDR scheme, as well as the penalty reports, as per the following windows :

- [New Buy-in regime](#) :
 - a. UAT platform will be opened for tests **from October 4th 2021 till go live in February 2022** ;
 - b. Members will be able to input their own instructions in LCH SA UAT platform, or request LCH SA Operations’ team to make it on their behalf.
 - c. We will provide samples of Buy In example files available under LCH SA Secure Area (*please contact your Relationship Manager if you don’t have access to it*)

- [Penalty reports \(daily and monthly\)](#) :
 - a. UAT platform will be opened for tests **from October 25th 2021 till go live in February 2022** ;
 - b. We will provide samples of daily and monthly penalty files available under LCH SA Secure Area (*please contact your Relationship Manager if you don’t have access to it*)

All necessary reports for your testing will be available in LCH SA TEST PORTAL (new web/SFTP access for LCH SA's reporting).

If members wish to participate in the test phase, they should ensure that they have access to LCH SA Test Portal prior to the commencement of the test phase.

For support please contact SAEquityClearBusinessDev&RM@lch.com

2. Participation to the Penalties Dry Run in Production

LCH SA will offer its members the option to participate to the **Dry Run initiated by the CSDs on 15th of November**. This will be an opportunity to test the end-to-end penalty process and validate real penalty values with the CSDs.

Please contact SAEquityClearBusinessDev&RM@lch.com to confirm your participation to the Dry Run.

From the 25th of October, LCH SA will :

- consume the CSD penalty reports ;
- execute its internal processes (except executing the monthly payment on the 17th Penalty Business day for the Dry run period);
- report the penalties to its members

Please keep in mind, **Members will still have the opportunity to continue their test in EUA platform after the Dry Run till February 2022.**

SUPPORT DOCUMENTATION available in your Secure Area

- **The LCH SA CSDR Settlement Discipline Regime Adaptation plan V2.3** is available in your Secure Area for August 30th 2021,

The aim of this document is to outline the impacts and changes of SDR on cleared and non-cleared transactions flows operated by LCH SA through the 3 below areas :

- netting and content of the fields in the settlement instructions;
- new rules for the buy-in and subsequent cash compensation;
- recovery of penalties for cleared transactions (article 19 of RTS).

This updated V2.3 version provides (versus V2.2) additional specifics information on "penalties", and refers also to our "Cash Securities Penalties reports Specifications – August 2021 – V2"

- **Cash Securities Penalties reports Specifications V2** is also available in your Secure Area for August 30th 2021,

The aim of this document is to provide technical information on the penalty reports that will be provided by LCH SA on a daily basis, but also on the monthly basis.

In order for LCH SA to best support its members community with this major change for the Cash Equity industry, we would appreciate your feedback on the above by confirming your expected schedule for testing.

Considering the ongoing review of the regulation, if there are any changes prior to this date, LCH SA will review its approach and advise members accordingly.

If you have any questions in the meantime, please contact your dedicated RM:
SAEquityClear@lch.com

Kind regards,

lch.com



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