

Member Notification

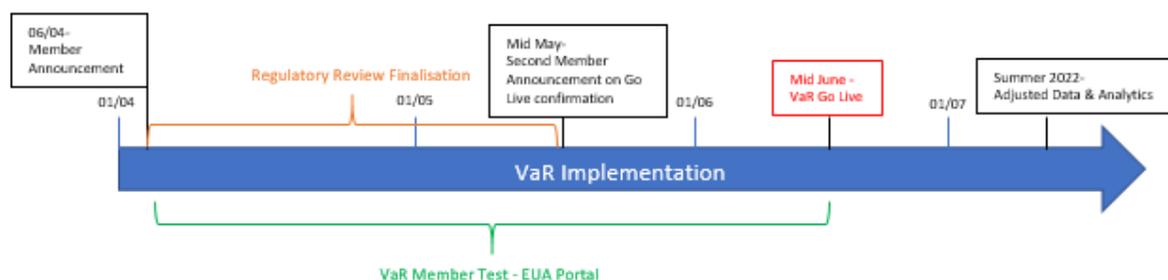
Implementation of RepoClear SA's new Value at Risk (VaR) model

06th April 2022

Dear RepoClear SA Members,

RepoClear SA is pleased to provide you with further details in regards to the implementation of its new **Value at Risk (VaR)** model.

Where are we today?



LCH SA is targeting a **Go Live date by mid-June 2022** (subject to regulatory approval).

What can you do today?

VaR methodology is **now available** in EUA Portal environment both in the **RepoCalc** simulator and **Reporting**:

1. RepoCalc

RepoCalc and all existing connections either *via* GUI or API can provide you with VaR simulations for your current portfolio and/or future positions if you wish to do so.

RepoCalc documentation including API specifications are available in both Portal and Secure Area.

2. Reporting

Reports are overall **unchanged** from a design and formatting perspective.

Only one additional report called “VM_Modes” for trade level variation margin mode display is expected and will soon be made available to you.

	Before	After	Available for testing on 01/04 ?
Margin model	Initial Margin SPAN	Initial Margin VAR	Yes
	Repo forward add on	No Repo forward add on => included in IM above	Yes
	Variation Margin in one mode (Live)	Variation Margin in 3 modes (Live, S & S-1)	No*
	Additional Margin updated once a day (ITD)	Additional Margin updated twice a day (ITD & EOD)	Yes
	Variation Margin on open trades and fails only	Variation Margin on open trades, fails and forward repos	Yes
CRS Margin Reporting	<i>incl. split per country</i>	<i>incl. split per country</i>	Yes
	Initial Margin	Initial Margin	
	Variation Margin	Variation Margin	
	Variation Margin SFTR	Additional Margins (all)	
	Variation Margin SFTR per trade	Variation Margin SFTR	
	Variation Margin SFTR per fail	Variation Margin SFTR per trade	
		Variation Margin SFTR per fail	
	TRDG reports	No more TRDG report	N/A
N/A	NEW VM_modes reports	No*	
Treasury Reporting	SS1 Initial Margin as a specific add-on	SS1 IM & AM already included withing each relevant additional margin	Yes
	SS1 Additional Margin already included		

* Expected to be available in May

To benefit from the above and ready features, we invite you to log into Portal Test environment to test and explore VaR embedded model within existing framework.

Portal EUA link: <https://test-clearingservices.lchclearnet.com/>

In case of further details needed, the overall risk framework methodology has also been made available in Portal and Secure Area.

As of today, you have a **period of approximately two and a half months** before the expected Mid-June VaR release in Production.

What to expect next from LCH?

1. **Second communication:** LCH Repoclear SA will provide you with a follow-up communication around mid-May to confirm VaR Go Live date
2. **VaR Go Live:** targeted mid-June which could include potential regulatory pre-go live recommendations within the new risk framework



Please do not hesitate to contact your LCH Client Service representative for more information and during your testing period: repoclearclientserviceSA@lch.com

Kind regards,
RepoClear SA