

Member Notification

Enhancement of RepoClear SA's Margin framework

27 October 2020

Dear RepoClear Members,

From December onwards*, RepoClear SA will further strengthen its Risk Management framework by upgrading its **margin calculation engine**.

With this upgrade, RepoClear SA continues to follow market best practices and regulatory requirements, providing its Members with a resilient and robust risk-management operating model. This enhancement also contributes to prepare the introduction of the **Value at Risk based methodology** for Risk exposure.

What are the main evolutions for RepoClear Members?

1. Margin calculation

From December onwards, RepoClear SA Members will benefit from enhanced algorithms for the below existing margins:

- Additional Margins (Default Fund)
- Additional Margins (Concentration Risk)
- Additional Margins (Position Limit)
- Additional Margins (Others)

If you need more details, please visit your RepoClear SA secured area [here](#) (SA Fixed Income > RepoClear > Service enhancement - Member guides)

2. RepoCalc

The LCH's margin simulator, will be enriched with new functionalities to support this change. Members will be able to perform calculation simulations for **Additional margins** in addition to Initial margins and Variation margins simulations already available in RepoCalc.

In the meantime, please do not hesitate to contact your LCH Relationship Manager or Client Service representatives for more information:

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repoclearclientserviceSA@lch.com

Kind regards,
RepoClear SA Client Service team

**Implementation date to be confirmed in due course*

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