

Member Notification

Enhancement of RepoClear SA's intraday margin process

31 May 2021

Dear RepoClear SA Members,

RepoClear SA continues to be committed to following market best practices and providing an efficient and robust risk-management operating model to its members.

From 28 June 2021* onwards, the RepoClear SA intraday margin process will be further strengthened through the introduction of an **intraday update of bond prices**. Consequently, the intraday margin process will base its computations on these updated prices.

Main benefits for RepoClear SA members:

1. Price update

Currently, bond prices used for margin computations are updated once a day, at end-of-day. From 28 June 2021, RepoClear SA will update the prices **twice a day: at end-of-day and intraday**, in-line with the existing margin call sequence. The intraday initial and additional margins will therefore no longer be calculated based on end-of-day prices but on intraday prices, allowing real time risk-management capabilities.

2. Intra-day Contingency Variation Margin update

The Contingency Variation Margin (CVM) which is currently calculated at end-of-day only, will also benefit from this additional price update. Therefore, it will also be calculated for intraday **margin calls**, based on intraday prices.

The RepoClear SA margin simulation tool, RepoCalc, will be updated accordingly.

3. Additional intraday CVAL report available in LCH Portal

Currently, RepoClear SA members can consume the CVAL report published at end-of-day in the public folder of LCH Portal. It provides members with the prices and durations used by

RepoClear SA for margin computations. From 28 June onwards, **an additional CVAL report will be generated intraday** to provide prices and durations used for intraday margin runs.



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

Kind regards,
RepoClear SA Client Service team

**Subject to regulatory approval*

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