

Member Notification

LCH SA – RepoClear : Transition from EONIA to €STR – Go live –

16 October 2019

Dear RepoClear Members,

We are pleased to announce that LCH SA (“LCH”) will accept Variable Rate Repo (VRR) trades indexed on the Euro Short Term Rate (€STR)* for clearing as **from 29 October 2019** alongside VRR trades referencing EONIA (until further notice).

Member testing is available to ensure a successful and smooth transition from EONIA to €STR based VRR.

Members are able to test:

- 1- the switch to ‘T+1’ publication of EONIA at 09:15 am CET
- 2- VRR trades indexed on €STR rate on ‘T+1’
- 3- the ‘delta cash adjustment’ included in the usual margin process payable via Target2 account

More information regarding this transition can be found on the [LCH website](#).

Background :

The ECB has communicated plans to start publishing a new overnight benchmark, €STR, from 2 October 2019. It has also made a recommendation to EMMI to recalibrate EONIA at a fixed spread to €STR and that EONIA should not be published beyond the end of 2021. Following a consultation, EMMI confirmed that these recommendations will be implemented.

The ECB is publishing €STR at 08:00 am CET on each TARGET2 business day.
The publication of EONIA is at 9:15 am CET.

Members can contact repocleargroupsales@lch.com with any questions.


Kind regards,

Relationship Management team

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