



Notice

Date: 15 November 2016

To: LCH SA Cash Equities & Listed Derivatives Clearing Members

LCRM & WWR* add-on margin thresholds change

Dear Clearing Members,

We would like to inform you about the revision of the threshold levels on LCRM & WWR add-on margins for Cash Equities and Listed Derivatives markets, without any technical impact on risk and treasury files.

The LCRM & WWR add-on margins are calculated monthly and daily.

LCH SA calls these add-ons via an Intra Day Margin Call issued around 2:00pm CET when the materiality thresholds are reached:

- For monthly LCRM and monthly WWR:
 - If Monthly LCRM Calculation > Monthly Threshold
 - If Monthly WWR Calculation > Monthly Threshold
- For Daily LCRM and daily WWR:
 - If (Daily LCRM Calculation – LCRM latest month) > Daily Threshold
 - If (Daily WWR Calculation – WWR latest month) > Daily Threshold

These principles are unchanged but only the thresholds will be updated as **from 6 December 2016**:

	Monthly Threshold	Daily Threshold
Currently	100 k€	Min [5Mln€; Max(10% x Daily Initial Margin ; 100k€)]
As from 6 Dec 2016	0 €	0 €

For further details, please, refer to the LCRM & WWR Cash Equities & Listed Derivatives updated presentations at the LCH SA Secure area ([click here](#)) at

SA Listed Derivatives folder

« SA Listed Derivatives » -> « Derivatives Service Description » ->

- « LCRM DERIVATIVES Presentation - 14.11.2016 »
- « WWR CASH & DERIVATIVES Presentation - 14.11.2016 »

SA Cash Equities folder

« SA Cash Equities » -> « Cash Service Description » ->

- « LCRM CASH EQUITIES Presentation - 14.11.2016 »
- « WWR CASH & DERIVATIVES Presentation - 14.11.2016 »

For any questions, please, liaise with your Account Manager.

Best regards,

Delphine Feyrit | Head of Listed Derivatives | LCH SA

Milena Makhmutova | Product Manager Listed Derivatives & Equities | LCH SA

Account Managers Team | Email: Exchange.AMs@lch.com

Margin Management | Email: Margin.FR@lch.com

* LCRM: Liquidity and Concentration Risk Margin / WWR: Wrong Way Risk Margin

Website www.lch.com

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LCH SA | Email: Exchange.AMs@lch.com |

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