



## Notice

Date: 31 October 2016

To: LCH SA Financial Derivatives Clearing Member

# SSDF add-on margin update

Dear Clearing Members,

**We are pleased to announce an update on the add-on margin for the Single Stock Dividend Futures (SSDFs), without any technical impact.**

On SSDFs, LCH SA calculates two different types of margins at Clearing Member's Margin Account level:

- the SSDF margin parameter (13.5%\*) is applied to all positions as per usual SPAN® parameter, referred as "SSDF Initial Margin",
- Event Risk add-on is applied to the largest position (parameter 50%\*), referred as "SSDF Add-On Margin".

These two types of SSDF margins (Initial and Event Risk add-on) are included in the **morning margin call**.

**Starting from 7 November 2016**, LCH SA will enhance the SSDF add-on margin by introducing a component corresponding to the risk of calendar spread positions \*\*, to be called via an Intra Day Margin Call.

This enhancement will come into effect with the intra-day margin call issued around 2:00pm CET as of 7 November 2016 for the positions outstanding at close of business of 4 November 2016, without any technical impact on risk files.

For further details on updated SSDF Enhanced Margin Framework, please, visit the LCH SA Secure area ([click here](#)) at « SA Listed Derivatives » -> « PROJECTS » -> « Single Stock Dividend Futures (SSDF) » -> « Single Stock Dividend Futures (SSDF) – Updated on 31<sup>st</sup> of Oct, 2016 ».

We are happy to continue delivering service excellence to our clients.

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](mailto:Exchange.AMs@lch.com)

*\* These margin parameters are provided in the Derivatives Risk Notice at [LCH SA Risk Notices](#). They are subject to regular review and can be changed by LCH SA.*

*\*\* Depending on the SSDF portfolios, some members may be subject to this new add-on or not. Based on simulations run on the last three months, there was none member portfolio which would have been called for this new add-on.*

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