



Notice

Date: 21 September 2016

To: LCH SA Financial Derivatives Clearing Members

SSDF Add-On margin rationalisation

Dear Clearing Members,

We are pleased to announce a rationalisation of the Add-On margin call process for the Single Stock Dividend Futures (SSDFs); such rationalisation has no technical impact on your current processes.

As a reminder, LCH SA calculates the SSDF SPAN® margins at Clearing Member's Margin Account level as follows:

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

Starting from 30 September 2016, the Margin morning call will include the two types of SSDF margins (Initial and Event Risk add-on), calculated on positions outstanding at close of business of the preceding day.

This rationalisation will come into effect with the margin call issued in the morning of 30 September 2016 for the positions outstanding at close of business of 29 September 2016, without any technical impact on risk files.

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: ExchangesAMs@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.*

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