

Collateral management service enhancement

Dedicated Client Deposit Rate for cash and non-cash collateral – Report Impacts

Dear All

After the implementation of a dedicated client deposit rate on cash EUR on 2 January 2015, LCH.Clearnet will now introduce the technical capability for CDSClear to apply differing deposit rates across house and client for cash GBP & USD and for Securities.

Even if client deposit rates will apply solely to CDSClear, all LCH.Clearnet SA Clearing Members are impacted by the member report modifications detailed below.

Member report modification

The “Interests monthly report” published on the third business day of the month (AC0106) included in the broader treasury report (CNMC) is impacted by this service enhancement and will change as per the below screenshot.

! Dépôt Espèces USD/USD Cash Deposit !	
! Marché/Market !	! Taux d'intérêts appliqué/Applied Interest Rate !
0001 - Cash Securities	: Fed Funds minus 0.30%
0020 - Stock and Index Derivatives	: Fed Funds minus 0.30%
0050 - Commodities Derivatives	: Fed Funds minus 0.30%
0070 - Fixed Income	: Fed Funds minus 0.30%
0075 - Collateral Basket Pledge	: Fed Funds minus 0.30%
0100 - Client - Credit Default Swap	: Fed Funds minus 0.30%
0100 - House - Credit Default Swap	: Fed Funds minus 0.30%

! Dépôt Espèces GBP/GBP Cash Deposit !	
! Marché/Market !	! Taux d'intérêts appliqué/Applied Interest Rate !
0001 - Cash Securities	: SONIA minus 0.35%
0020 - Stock and Index Derivatives	: SONIA minus 0.35%
0050 - Commodities Derivatives	: SONIA minus 0.35%
0070 - Fixed Income	: SONIA minus 0.35%
0075 - Collateral Basket Pledge	: SONIA minus 0.35%
0100 - Client - Credit Default Swap	: SONIA minus 0.35%
0100 - House - Credit Default Swap	: SONIA minus 0.35%

! Dépôt Titres/Securities Deposit !	
! Marché/Market !	! Taux de charges appliqué/Applied charges Rate !
0001 - Cash Securities	: 0.10% du montant des titres affectés/from the amount of allocated securities
0020 - Stock and Index Derivatives	: 0.10% du montant des titres affectés/from the amount of allocated securities
0050 - Commodities Derivatives	: 0.10% du montant des titres affectés/from the amount of allocated securities
0070 - Fixed Income	: 0.10% du montant des titres affectés/from the amount of allocated securities
0075 - Collateral Basket Pledge	: 0.10% du montant des titres affectés/from the amount of allocated securities
0100 - Client - Credit Default Swap	: 0.10% du montant des titres affectés/from the amount of allocated securities
0100 - House - Credit Default Swap	: 0.10% du montant des titres affectés/from the amount of allocated securities

For the purpose of report automation, clearing members have to take into account the following technical impact and layout changes :

- The existing block on USD is enhanced to display differentiated house and client deposit rates for CDSClear
- A new block on GBP is created to display differentiated house and client deposit rates for CDSClear
- The existing block on Securities is enhanced to display differentiated house and client deposit rates for

CDSClear

Planning

The updated AC0106 report will be made available to all clearing members in UAT on **4 March 2015** and in Production on **3 April 2015**.

A new communication will be sent out to confirm the applicable Client Deposit Rates for CDSClear on cash GBP, USD and on Securities and the application date.

Please reach out to the below contacts should you have any question.

CDSClear

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Cash Equities, Derivatives and Fixed Income

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