

Cash Equities

10 March 2015

**Implementation of Corporate Action Standards by LCH.Clearnet SA**

Dear Members,

In the context of HDD/HDR implementation, LCH.Clearnet SA will adapt the management of the market claims accordingly with market' standards.

The de-netting impacts described below only relate to Distribution Corporate Actions.

- Standards require the market claims to be settled separately from the underlying transaction.
- In addition the cash market claim will be paid in the currency requested by the issuer.

**Therefore LCH.Clearnet will no longer net the market claim with the underlying position .**

**NB:** for transformation corporate actions only Record 25 will be amended (please refer to chart below).

What will happen and what are the impacts for Clearing Members:

	<b>SIF impacted Records</b>	<b>Impacts</b>
<b>Distribution Corporate Action</b>	<b><u>Record type 30:</u></b> corresponding to fails after application of corporate event.	For record type 30 a new line will appear in the SIF file displaying the result of the distribution corporate action either in cash or in stocks.  Tips: in order to be able to identify better those additional lines, double check: <ul style="list-style-type: none"> <li>- When quantity is "0" and cash amount is populated or</li> <li>- When quantity is populated with a different ISIN and cash amount "0" (still, there could be cash amount populated in case of fractions).</li> </ul>
	<b><u>Record type 60:</u></b> corresponding to final standard instruction sent at the end of day for settlement.	For record type 60 a new line will appear in the SIF file displaying the result of the distribution corporate action either in cash or in stocks.  Tips: in order to be able to identify better those additional lines, double check: <ul style="list-style-type: none"> <li>- When quantity is "0" and cash amount is populated or</li> </ul>

	<p><b>Record type 25:</b> corresponding to corporate event book entries.</p>	<p>- When quantity is populated with a different ISIN and cash amount "0" (still, there could be cash amount populated in case of fractions).</p> <p>There will be 4 additional fields populated in this record type(COE CAEV, COE CORP, COE COAF, COE Type) CLAI flag will be populated in "COE Type" field enabling to identify the line corresponding to the distribution corporate event results (either in stocks or in cash).</p>
<p><b>Transformation Corporate Action</b></p>	<p>For Record Type: 30 and 60 nothing will change. For Record Type 25, "TRAN "will be specified in the "COE Type".</p>	

Please find attached an example of the SIF showing the new lines for each of impacted records and the file description that will enable you to parameter these changes.

Shall you need some assistance for tests our Operations Team is at your disposal to help you further in this process (please see below contact details).

**Carole Hamard**

Cash Operations Manager  
Phone +33 1 70 37 66 27  
Group +33 1 70 37 65 32  
Email: [carole.hamard@lchclearnet.com](mailto:carole.hamard@lchclearnet.com)

**Website Materials:**

As a reminder, please note that a communication regarding main changes has been sent last December and is available on LCH.Clearnet website by clicking [here](#)

Should you require any additional details, please do not hesitate to contact your account manager.

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**For further information please contact**

**Christelle Girard** | Director - Head of Equities SA | **LCH.Clearnet** | Tel:+ 33 1 70 37 67 94 | Mobile:+33 7 87 35 32 34 | Email [christelle.girard@lchclearnet.com](mailto:christelle.girard@lchclearnet.com) |

**Leïla Aïssiouéne** | Communication and Service Delivery Officer | **LCH.Clearnet** | Tel: +33 1 70 37 28 36 | Mob:+33 6 84 93 76 45 | Email: [leila.aissiouene@lchclearnet.com](mailto:leila.aissiouene@lchclearnet.com) | Website: [www.lchclearnet.com](http://www.lchclearnet.com)

