



To all LCH.Clearnet Ltd Clearing members

## LCH.Clearnet LTD – PPS Aggregation

LCH.Clearnet Ltd (LCH.Clearnet) is now offering PPS Aggregation for all Individually Segregated Accounts (ISA) and Omnibus Segregated Accounts (OSA) set up by LCH.Clearnet Ltd clearing members for their clients.

LCH.Clearnet has designed PPS Aggregation to minimise the PPS charge to Clearing Members in light of increased PPS volumes as a result of the new segregated account offerings. PPS Aggregation is an opt-in facility available per ISA or OSA that enables members to receive a single Call and/or a single Pay instruction across client accounts that share the same PPS Bank Account.

PPS Calls and PPS Pays are issued as standard procedure to each member per mnemonic, currency and sub-account.

Clearing Members should be aware of the following changes being introduced to support PPS Aggregation:

- PPS Preferences changes: How to choose PPS Aggregation;
- Email Notification changes;
- Changes to report REP00033a – ITD PPS Movement Detail;
- New report: REP00033b – ITD PPS Aggregation Detail; and
- PPS Aggregation for Member Directed Cash Deposits and Withdrawals in CMS.

## PPS Preferences changes: How to choose PPS Aggregation

LCH.Clearnet Ltd Clearing Members can request PPS Aggregation for any new or existing client accounts by completing the updated PPS Preferences form which now includes the PPS Aggregation option alongside existing currency utilisation and margin call details. Members should contact [Collateral.Queries@lchclearnet.com](mailto:Collateral.Queries@lchclearnet.com) for the latest version of this form.

Members should note that if they wish for any of their segregated ISA, OSA or ICA accounts to be aggregated together with their regular “C” client OSA account then they should also request aggregation on the “C” account.

The configuration of the “C” account is also an important consideration when opening any new segregated ISA, OSA or ICA accounts as new account preferences, including the aggregation option, will initially be set to the same values as that defined on the “C” account.

PPS Aggregation is only available on the following collateral accounts: C, O\*\*\*, S\*\*\* and V\*\*\*.

Members should also note that PPS Aggregation does not offset Calls with Pays, which are aggregated separately.

## Email Notification changes

### For Non Aggregated Accounts

For accounts that are either not eligible for PPS Aggregation or do not have PPS Aggregation selected, Margin Calls will be notified individually to Clearing Members in the following format:

This is an automatic notification from LCH.Clearnet that a debit instruction has been released to your PPS bank in relation to an Intra-day Margin run or Clearing Member initiated request.

Please refer to report 33a or 33b for further details of the call and fund your account accordingly.

Mnemonic:	CCY:	Total Call Amount:
EEE	USD	100,000.00

Sub Account:	Amount:
H	100,000.00

### For Aggregated Accounts

For accounts that have PPS Aggregation selected, a single Margin Call will be generated for the aggregate amount with the break down provided per sub account using the same format:

This is an automatic notification from LCH.Clearnet that a debit instruction has been released to your PPS bank in relation to an Intra-day Margin run or Clearing Member initiated request.

Please refer to report 33a or 33b for further details of the call and fund your account accordingly.

Mnemonic:	CCY:	Total Call Amount:
EEE	USD	40,149,824.41

Sub Account:	Amount:
S006	39,673,952.40
S007	386,184.32
S008	89,687.69

## Changes to report REP00033a – ITD PPS Movement Detail

The REP00033a – ITD PPS Movement Detail report shows members a breakdown of the PPS Movements per subaccount. Once PPS Aggregation has been selected for one or more accounts it will no longer be possible for this report to provide the detail per subaccount.

As such the report will show the Clearing Member’s PPS Bank Account in the ‘Account’ field for any PPS Calls or PPS Pays that have been aggregated. Accounts that can’t or don’t make use of PPS Aggregation will be reported in the same way as today with the subaccount in the ‘Account’ field of the report.

Please see example below:

Doc No - REP00033a

LCH.Clearnet Limited  
ITD PPS Movement Detail

Report Last Refreshed: 30/09/2014 15:40:50

Date: 17/09/2014  
Member: EEE  
Account: 123456789

Currency	Ldg	PPS Call	PPS Pay	Value Date	Timesent
USD	COV	40,149,824.41		17/09/2014	08:42
	COV		550.00	17/09/2014	09:15
USD	Total:	40,149,274.41			

## New report: REP00033b – ITD PPS Aggregation Detail

In order to provide members with a complete breakdown of the PPS Movements in respect to the segregated client accounts a new REP00033b – ITD PPS Aggregation Detail report will be provided to all Clearing Members in both .pdf and .txt formats.

This report shows the same PPS Call and PPS Pay information that is present in REP00033a with the addition of a subaccount breakdown as per the example below:

Doc No - REP00033b

LCH.Clearnet Limited  
ITD PPS Aggregation Detail

Report Last Refreshed: 01/10/2014 10:55:11

Date: 17/09/2014

Member: EEE

PPS Account: 123456789

Currency	Reference	Account	Ldg	DR	CR	PPS Call	PPS Pay	Value Date	Timesent
USD	9005844	S006/SWP-GIGA006DISA	COV		39,673,952.40			17/09/2014	
USD	9005844	S007/SWP-GIGA007DISA	COV		386,184.32			17/09/2014	
USD	9005844	S008/SWP-GIGA008DISA	COV		89,687.69			17/09/2014	
USD	9005844		Total:			40,149,824.41		17/09/2014	08:42
USD	9006080	S001/SWP-GIGA001DISA	COV	50.00				17/09/2014	
USD	9006080	S002/SWP-GIGA002DISA	COV	100.00				17/09/2014	
USD	9006080	S003/SWP-GIGA003DISA	COV	75.00				17/09/2014	
USD	9006080	S004/SWP-GIGA004DISA	COV	25.00				17/09/2014	
USD	9006080	S005/SWP-GIGA005DISA	COV	300.00				17/09/2014	
USD			Total:				550.00	17/09/2014	09:15
USD			CCY Total:		40,149,274.41				

## PPS Aggregation for Member Directed Cash Deposits and Withdrawals in CMS

In addition to End of Day and Intraday Margin Calls, PPS Aggregation is also available to Member Directed Cash Deposits and Withdrawals using the Cash Instruction Splitting feature introduced to the Collateral Management System (CMS) in March 2014 (Circular No. 3444).

For example a member can request the withdrawal (or deposit) of cash from up to 20 segregated accounts within the CMS GUI (and up to 99 using the SWIFT MX interface) via a single instruction, where as long as the accounts all share the same PPS Bank Account a single PPS Pay (or Call for a deposit) will be generated by the Clearing House.

Cash Instruction Details
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### Cash Instruction Details Print

**Instruction Reference** CW1014000

**Mnemonic** EEE

**Currency** USD

**Value Date** 17/09/2014 **Total Amount** 550.00

No	Client ID	Sub Acc	Name	Amount	Available Amount	Status
1	GIGA001DISA	S001	EEE_S001_CLIENTA_DEPOSIT	50.00	50.00	
2	GIGA002DISA	S002	EEE_S002_CLIENTB_DEPOSIT	100.00	100.00	
3	GIGA003DISA	S003	EEE_S003_CLIENTC_DEPOSIT	75.00	75.00	
4	GIGA004DISA	S004	EEE_S004_CLIENTD_DEPOSIT	25.00	25.00	
5	GIGA005DISA	S005	EEE_S005_CLIENTE_DEPOSIT	300.00	300.00	

Authorise
Reject
Request Cancellation

Status	Username	Date/Time	Comment
Input Pending Authorisation	jenny.cronin@ltd	17/09/2014 09:12:26	