



## Bulletin

# T2S Wave 3 : interim cap on fail penalty fees

19 September 2016

Dear Members,

Since T2S Wave 3 launch (12<sup>th</sup> September 2016), LCH SA has appreciated the need for its members community to be able to fully adapt processes and flows to the enhanced T2S settlement framework.

To provide support to its members to that end, **LCH SA is offering to cap the monthly amount of the fixed component of fail penalties until the end of October 2016.**

The interim cap will be applied as follows, per Clearing Member:

- Calculation of the cap ("Cap"): monthly average of the fixed component of fail penalties effectively invoiced in 2016 second quarter (i.e. months of April, May and June 2016)
- For September and October 2016:
  - Monthly invoice for fails penalty will be generated as usual (with fixed part + variable part),
  - Rebate of the difference - if positive - between the individual monthly fixed component of fail penalties and the individual reference "cap" will be processed accordingly.

Members will find the associated instruction III.4-3. through the following link : [here](#)

We remain at your disposal for any questions you may have.

Kind regards,

**Willem Mooijer** | Head of Equities & Amsterdam Branch Manager | LCH SA  
**Christelle Girard** | Head of SA Exchanges Account Managers | LCH SA

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