



Bulletin

Date: 2 March 2020

To: LCH SA Cash Equity Clearing Members

T2S Hold/Release Functionality

Dear Clearing Members,

Following the implementation of the Trade Date Netting model in September 2019 for LCH SA cash equity markets and the impact it has had on the T2S algorithm and settlement prioritization, LCH SA has engaged a review and improvement of its existing settlement process.

Clearing Members will now be able to put their instructions, sent by LCH SA under **Release** mode, into **Party Hold**. This will imply that either Standard and Buy-In settlement instructions shall be generated with modification/cancellation indicator (<SctiesSttImTxInstr\SttImParams\ModCxlAllwd\Ind>) **set to TRUE**.

There will be no impact for Clearing Members whose instructions are already sent in Hold mode.

It will be, therefore, up to each interested Clearing Member to verify Party Hold eligibility criteria and to decide which instructions should be put on Party Hold, preventing settlement.

LCH SA recommends that Clearing Members monitor carefully all instructions for which it exists a settlement restriction, as they will be considered in Fail and taken into account for the Buy-In triggering process, generating daily penalty fees, in accordance with LCH SA's Clearing Rules.

Target go-live date : **3 March 2020**

For testing proposes, please contact LCH SA Operations Client support, SAEquityClearOpsClientService@lch.com.

We remain at your disposal for any questions,

LCH SA EquityClear Team

For further information please contact:

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