

Member Notification

Change in EUR benchmark interest rate from EONIA to €STR

16th July 2021

Dear Clearing Member,

Following the decision of the ECB euro risk-free rates working group on the replacement of the euro overnight index average (EONIA), LCH SA is pleased to announce a switch to use exclusively the €STR (Euro Short Term Rate) benchmark for EUR cash deposits, starting 1st November 2021.

The switch to using €STR as sole EUR benchmark will be effective from 1st November 2021 and LCH SA will no longer use EONIA after such date.

The table below illustrates the change to spreads when €STR becomes effective. LCH SA is not seeking to alter the absolute spread as a result of using the €STR benchmark.

LCH SA Spreads	Current benchmark & spread	New benchmark & spread from 1 st November 2021
All Service lines	EONIA minus 30bps	€STR minus 21,5bps
CDSClear Clients	EONIA minus 15bps	€STR minus 6.5bps
Default Funds	EONIA minus 20bps	€STR minus 11.5bps

Reporting:

Treasury reporting will support this change and reference €STR accordingly as of this date. For any SFTP connectivity, we recommend you include this change as part of your ongoing Treasury Redesign implementation work ([here](#)).

We invite our Clearing Members to contact their dedicated Relationship Manager to receive further details and appropriate guidance on the implementation of such changes.

Kind Regards,

LCH SA

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