

Member Notification

LCH SA - EquityClear - CSDR Implementation

27th January 2022

Dear EquityClear Members,

LCH SA would like to remind you the key aspects of the CSDR Settlement Discipline Regime coming into force by 1st of February 2022.

End of the Penalties Dry Run

In place since November 15th 2021, the penalties dry run will end, as per CSDs recent announcements, by mid-February 2022. In this respect, and subject to receiving the monthly penalty report for the various CSDs on time , we will accordingly process this report to our clearing members.

We then encourage our members to take advantage of these last days to participate in this exercise and test the end-to-end penalty process (*note that reports will be available on a daily basis in the Daily penalties "DPEN" report and on a monthly basis in the Monthly Penalties "MPEN" report.*)

Buy-in regime postponement

As communicated recently, the mandatory buy-in regime is postponed as per the decision of the European Commission, EU Council and European Parliament.

CSDR implementation

As of 1 February 2022, LCH SA will start reporting the penalties as calculated by each relevant CSDs or ICSDs in accordance with CSDR. Reports will be available on a daily basis in the Daily penalties "DPEN" report and on a monthly basis in the Monthly Penalties "MPEN" report.

From March 2022, LCH SA will be debiting and crediting the penalties reported in February from/to the member's TARGET2 account currently used to debit/credit the margins and fees.

LCH SA continues to review its approach subject to any potential new guidelines and will advise you if required.

If you have any questions in the meantime, please contact your dedicated RM:
SAEquityClear@lch.com

Kind regards,
EquityClear

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