

Member Notification

LCH SA EquityClear Cash Equity migration to VaR Go live date

20 May 2022

Dear LCH SA Cash Equity Members,

We are pleased to confirm that LCH SA has now received all required regulatory approvals to proceed with the launch of its new VaR Expected Shortfall risk model.

As a consequence of the above :

- The go live date is set on **24th of June close of business**
- LCH has agreed to extend for members the testing till 3rd of June included

Please note, we will not be able to provide any delay to our members as this migration is a one-off migration for all LCH SA EquityClear members.

1. Summary of the main steps for this migration

What	When	Description	Impacts
Margin calculation	As of Friday 24 th of June COB	LCH SA will apply the new margin framework on open positions (i.e not yet settled positions)	- Members will benefit from the new margin model calculation under VaR/ES framework for both end of day (from Friday evening onwards) and intraday

	Monday 27th of June	<p>1st margin call under VaR/ ES processed in between 8.00am and 9.00am CET</p> <p>Intraday margins will be called as current BAU</p>	margins (from Monday onwards)
Private Clearing & Risk Reports	As of Friday 24th of June COB	Updated version* of existing Clearing files will be available in Portal. Publication of new private reports related to VaR/ES will be released in Portal.	<p>- Clearing files will be delayed with an ETA between 10.30pm and 12.30 am CET in BAU. Please, note that an exceptional delay could occur on the day of the migration.</p> <p>* Existing impacted files ('CMF Margin Positions', 'CMF PA Positions', 'NCM Positions', 'CMF Margins' and 'NCM Margins')</p>
	Monday 27th of June	All intraday files under VaR/ES available in Portal	<p>* New files disclosed ('Specific Margins Parameters' & 'CMF MA LCRM Breakdown')</p> <p>- Decommissioning of the 'NCM Add-on Margins file'</p>
Treasury reports	Monday 27th of June	Daily_MC (txt) and AC0102 (XML) will report the new margins related to VaR/ES	<p>- Margin will be reported in the "Final Initial Margin" field</p> <p>- "Liquidation Risk", "Negotiation Risk" and "Wrong Way Risk" will be set to 0</p>
Public reports	As of Friday 24th of June COB	New public files under VaR/ES available in Portal	<p>- New files disclosed ('Margin Parameters & VaR/ES Risk Factors')</p> <p>- Decommissioning of 'SPAN® Expanded format File' (also called SPAN® Parameters file)</p>
	Monday 27th of June	All new intraday Public files under VaR /ES available in Portal	

Nota bene :

- **All Clearing Reports and Risk reports** (private and public) will be **available in Portal** (production environment) on <https://clearingservices.lchclearnet.com> Friday evening on VaR/ES mode;
- The **latest version of the VaR/ES documentation** is accessible via your Secure Area [LCH Group - Secure Area \(lchclearnet.com\)](#) and contains additional details related to prices used for computation :
 - In the « Functional Specification FLR2.0 », additional information in section 2.3.3
 - In the Cash Equities files specification, the description of the following fields have been detailed: Settl Price, CVM Buy Price and CVM Sell Price have been amended in the different concerned reports.

2. LCH SA dedicated support during the migration

The EquityClear IT Support team will be your dedicated point of contact: SA.EquityClearIT.Support@lch.com

For escalation, you can contact Mounir Jaafari (Head of IT Client Support team for SA EquityClear) at Mounir.Jaafari@lseg.com / +33 6 71 86 91 37.

3. Member's contacts for the migration

Please, make sure that you provide the BDRM EquityClear team with your main point of contact supervising the migration. An ad-hoc communication will be provided during this migration.

The EquityClear Business Development & Relationship Management team (SAEquityClear@lch.com) remains at your disposal should you need any further information.

Kind regards,
LCH SA EquityClear

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