

Member Notification

€GCPlus – New Allocation Limits

08 October 2021

Dear €GCPlus Members,

As part of our ongoing improvement of the €GCPlus service, LCH SA is pleased to announce a new streamlined set of allocation limits, expected to be effective from **25/10/2021**.

Currently, the €GCPlus service operates with four different types of allocation limits: Rating, Category, Issuer and Outstanding. From 25/10/2021, these allocation limits will be simplified and relaxed - except for the Outstanding limit which will remain unchanged.

Through the reduction of the number of limits for baskets 1 and 2, collateral givers will benefit from an “easy to trade” solution that will provide greater efficiency gains, including reduction of potential fails and have more flexibility in their allocation strategy.

To appropriately accompany this simplification, LCH SA adjusted its Concentration framework to ensure adequate risk management in the specific situation where a member chooses to have a concentrated position.

This initiative forms part of LCH SA wider improvement to the €GCPlus service and follows the publication of Eligible ISINs facilitated by EuroClear and the Extended Trading Cut-Offs times. The next step in this programme will be the upcoming service merger expected in H2 2022¹. LCH SA will look to enable RepoClear Members to trade €GCPlus and standard repos under a single CCP membership, with **one** default fund, **one** set of margins and **netting** opportunities. More information regarding this significant milestone will be communicated next year.



Please do not hesitate to contact your LCH representative for more information:

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Kind regards,
RepoClear SA Client Service

¹ Subject to regulatory approval