

Décision du 15 mars 2016 relative aux modifications des règles de fonctionnement de la chambre de compensation et du système de règlement-livraison d'instruments financiers LCH.Clearnet SA portant sur la compensation des *Credit Default Swaps* (CDS) en dollar américain

L'Autorité des marchés financiers,

Vu le code monétaire et financier, et notamment ses articles L. 440-1 et L. 621-7 ;

Vu le règlement général de l'Autorité des marchés financiers, et notamment ses articles 541-1, 560-2 et suivants ;

Vu la demande de LCH.CLEARNET SA en date du 7 mars 2016 ;

Décide :

Article 1^{er}

Sont approuvées les modifications des règles de fonctionnement de LCH.CLEARNET SA, en sa qualité de chambre de compensation et de système de règlement-livraison d'instruments financiers, telles qu'annexées à la présente décision.

Elles entreront en vigueur à la date déterminée par LCH.Clearnet SA.

Article 2

La présente décision sera notifiée à LCH.CLEARNET SA et publiée sur le site Internet de l'Autorité des marchés financiers.

Fait à Paris, le 15 mars 2016

Le Président de l'AMF

Gérard RAMEIX

CDSClear – CDS Clearing Rule Book

Version actuelle de l'article	Version modifiée de l'article
<p>Cash Payment: Any payment due by a Clearing Member to LCH.Clearnet SA, or due to be received by a Clearing Member from LCH.Clearnet SA, of:</p> <ul style="list-style-type: none"> (i) cash amounts due upon the occurrence of Credit Events; (ii) Price Alignment Interest; (iii) Fixed Amounts; (iv) Variation Margin; (v) Initial Payment Amount; (vi) any fees due to LCH.Clearnet SA; (vii) cash amounts due in connection with an MTM Change; or (viii) any other cash amounts (other than Cash Collateral). <p>Such payments shall be made in Euro, except as otherwise provided for in the Procedures.</p>	<p>Cash Payment: Any payment due by a Clearing Member to LCH.Clearnet SA, or due to be received by a Clearing Member from LCH.Clearnet SA, of:</p> <ul style="list-style-type: none"> (i) cash amounts due upon the occurrence of Credit Events; (ii) Price Alignment Interest; (iii) Fixed Amounts; (iv) Variation Margin; (v) Initial Payment Amount; (vi) any fees due to LCH.Clearnet SA; (vii) cash amounts due in connection with an MTM Change; or (viii) any other cash amounts (other than Cash Collateral). <p>Such payments shall be made in Euro, except as otherwise provided for in the Procedures.</p>

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N/A	<p>Cash Payment Day: <u>With respect to a Cleared Transaction with a CDS Contractual Currency:</u></p> <p>(i) <u>in Euro: a Business Day; or</u></p> <p>(ii) <u>in US Dollar:</u></p> <p>(a) <u>a Business Day that is a day on which commercial banks in New York City are open for business; or</u></p> <p>(b) <u>with respect to cash amounts due upon the occurrence of Credit Events only as referred to in the definition of Cash Payment, any day that is a day on which commercial banks in New York City are open for business.</u></p>
<p>End of Day: 19.30 on each Clearing Day.</p>	<p>End of Day: 19.30 on each <u>Price Contribution</u>Clearing Day.</p>
N/A	<p>Extraordinary Margin: <u>The amount calculated by LCH.Clearnet SA in accordance with Section 2 of the Procedures.</u></p>
<p>Index Publisher: For the iTraxx® Europe Indices, Markit Group Limited or any successor thereto or any replacement then appointed by the Index Sponsor for purposes of officially publishing the relevant index.</p>	<p>Index Publisher: For the iTraxx® Europe Indices <u>and Markit CDX™ Indices</u>, Markit Group Limited or any successor thereto or any replacement then appointed by the Index Sponsor for purposes of officially publishing the relevant index.</p>
<p>Index Sponsor: For the iTraxx® Europe Indices, the International Index Company Limited, or any successor thereto.</p>	<p>Index Sponsor: For the iTraxx® Europe Indices, Markit Indices Limited, <u>and for the Markit CDX™ Indices, Markit North America Inc.</u>, or any successor thereto.</p>
<p>Margin: Any margin, including Initial Margin, Additional Margin, Short Charge Margin, Self-Referencing Protection Margin, Recovery Risk Margin, Interest Rate Risk Margin, Wrong Way Risk Margin, Accrued Fixed Amount Liquidation Risk Margin, Credit Event Margin, Variation Margin, Credit Quality Margin, Concentration Risk Margin and Contingency Variation Margin that LCH.Clearnet SA calculates to be payable by a Clearing Member in</p>	<p>Margin: Any margin, including Initial Margin, Additional Margin, Short Charge Margin, Self-Referencing Protection Margin, Recovery Risk Margin, Interest Rate Risk Margin, Wrong Way Risk Margin, Accrued Fixed Amount Liquidation Risk Margin, Credit Event Margin, Variation Margin, Credit Quality Margin, <u>Extraordinary Margin</u>, Concentration Risk Margin and Contingency Variation Margin that LCH.Clearnet SA calculates to be payable by a Clearing Member</p>

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accordance with the terms of this CDS Clearing Rule Book and the Procedures.	in accordance with the terms of this CDS Clearing Rule Book and the Procedures.
N/A	<u>Markit CDX™ Indices: Each of the series and versions of Markit CDX™ indices published on the Website, in accordance with Section 4 of the Procedures. Information about these indices and their publication, composition, weighting and calculation is available on the website of the Index Publisher (www.markit.com).</u>
TARGET2 Payment Agent: A third party which holds a cash account with a central bank and/or a Credit Institution designated by LCH.Clearnet SA, and which a Clearing Member can use to fulfil some or all of its payment or Margin obligations towards LCH.Clearnet SA in accordance with the CDS Clearing Documentation.	TARGET2 Payment Agent: A third party which holds a cash account with a central bank and/or a Credit Institution designated by LCH.Clearnet SA, and which a Clearing Member can use to fulfil some or all of its payment or Margin obligations towards LCH.Clearnet SA in accordance with the CDS Clearing Documentation.

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<p>Payment Failure: Any failure by a Clearing Member to, by the due time, transfer, deliver, deposit with or pay to LCH.Clearnet SA:</p> <ul style="list-style-type: none"> (i) any or all Price Alignment Interest, Initial Payment Amount, Fixed Amounts, cash amounts due upon the occurrence of a Credit Event, securities, deliverable obligations or assets owed to LCH.Clearnet SA or to another Clearing Member in respect of Cleared Transactions registered in the name of the Defaulting Clearing Member with LCH.Clearnet SA; (ii) subject to Article 4.2.3.3 (iii) Collateral to satisfy its Margin Requirements (including but limited to Initial Margin, Additional Margin, Short Charge Margin, Self-Referencing Protection Margin, Recovery Risk Margin, Interest Rate Risk Margin, Wrong Way Risk Margin, Accrued Fixed Amount Liquidation Risk Margin, Credit Event Margin, Concentration Risk Margin, Credit Quality Margin, Contingency Variation Margin or any additional Margin imposed by LCH.Clearnet SA pursuant to Article 4.2.1.2); (iii) Collateral to satisfy its Contribution Requirement; and (iv) Cash Payment to satisfy its Variation Margin Requirement. 	<p>Payment Failure: Any failure by a Clearing Member to, by the due time, transfer, deliver, deposit with or pay to LCH.Clearnet SA:</p> <ul style="list-style-type: none"> (i) any or all Price Alignment Interest, Initial Payment Amount, Fixed Amounts, cash amounts due upon the occurrence of a Credit Event, securities, deliverable obligations or assets owed to LCH.Clearnet SA or to another Clearing Member in respect of Cleared Transactions registered in the name of the Defaulting Clearing Member with LCH.Clearnet SA; (ii) subject to Article 4.2.3.3 (iii) Collateral to satisfy its Margin Requirements (including but limited to Initial Margin, Additional Margin, Short Charge Margin, Self-Referencing Protection Margin, Recovery Risk Margin, Interest Rate Risk Margin, Wrong Way Risk Margin, Accrued Fixed Amount Liquidation Risk Margin, Credit Event Margin, Concentration Risk Margin, Credit Quality Margin, <u>Extraordinary Margin</u>, Contingency Variation Margin or any additional Margin imposed by LCH.Clearnet SA pursuant to Article 4.2.1.2); (iii) Collateral to satisfy its Contribution Requirement; and (iv) Cash Payment to satisfy its Variation Margin Requirement.
N/A	<p><u>Price Contribution Day: With respect to a Cleared Transaction with a CDS Contractual Currency:</u></p> <ul style="list-style-type: none"> (i) <u>in Euro: a Clearing Day; or</u> (ii) <u>in US Dollar: a Clearing Day that is a day on which commercial banks in New York City are open for business.</u>
N/A	<u>US Dollar: The United States Dollar.</u>
Article 2.2.1.1	Article 2.2.1.1

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<p>Any Applicant wishing to be admitted as a Clearing Member by LCH.Clearnet SA should satisfy the following conditions:</p> <p>[...]</p> <p>(xiv) be in a position to provide Collateral in satisfaction of its Margin Requirements and its Contribution Requirement, and to perform Cash Payment obligations, including:</p> <p>(a) submitting evidence and details of duly existing cash account(s) (including, at least, one TARGET2 Account) for the purposes of payment of cash amounts, as well as evidence that a Power of Attorney has been issued in favour of LCH.Clearnet SA to allow the debiting or crediting of such cash account(s) for the performance of Cash Payment obligations and the provision of Cash Collateral; and</p> <p>[...]</p>	<p>Any Applicant wishing to be admitted as a Clearing Member by LCH.Clearnet SA should satisfy the following conditions:</p> <p>[...]</p> <p>(xiv) be in a position to provide Collateral in satisfaction of its Margin Requirements and its Contribution Requirement, and to perform Cash Payment obligations, including:</p> <p>(a) submitting evidence and details of duly existing cash account(s) (including, at least, one TARGET2 Account <u>and one cash account in US Dollar</u>) for the purposes of payment of cash amounts, as well as evidence that a Power of Attorney has been issued in favour of LCH.Clearnet SA to allow the debiting or crediting of such cash account(s) for the performance of Cash Payment obligations and the provision of Cash Collateral; and</p> <p>[...]</p>
<p>Article 2.2.3.1</p> <p>A Clearing Member must maintain a minimum net capital of at least EUR 37,000,000 in respect of a Clearing Member which is a CCM (other than a CCM that is an FCM) or \$50,000,000 (fifty million United States Dollars) in respect of a Clearing Member which is an FCM. Such net capital shall be calculated as follows:</p> <p>[...]</p>	<p>Article 2.2.3.1</p> <p>A Clearing Member must maintain a minimum net capital of at least EUR 37,000,000 in respect of a Clearing Member which is a CCM (other than a CCM that is an FCM) or \$50,000,000 (fifty million <u>US United States</u> Dollars) in respect of a Clearing Member which is an FCM. Such net capital shall be calculated as follows:</p> <p>[...]</p>
<p>Relationship with Securities Settlement Agents and TARGET2 Payment Agents</p> <p>Article 2.2.7.2</p>	<p>Relationship with Securities Settlement Agents and TARGET2-Payment Agents</p> <p>Article 2.2.7.2</p>

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<p>A Clearing Member that wishes to use a Securities Settlement Agent and/or a TARGET2 Payment Agent to:</p> <ul style="list-style-type: none"> (i) deliver Eligible Collateral; (ii) provide Cash Collateral; or (iii) perform Cash Payment obligations <p>in accordance with the CDS Clearing Documentation, must enter into an agreement with a Securities Settlement Agent and/or a TARGET2 Payment Agent, on such terms as allow the Clearing Member to perform its obligations under the CDS Clearing Documentation as required by LCH.Clearnet SA.</p> <p>Article 2.2.7.3</p> <p>Notwithstanding the provisions of Article 2.2.7.2 above, the use of a Securities Settlement Agent and a TARGET2 Payment Agent shall not relieve the Clearing Member of its obligations under the CDS Clearing Documentation.</p>	<p>A Clearing Member that wishes to use a Securities Settlement Agent and/or a TARGET2 Payment Agent to:</p> <ul style="list-style-type: none"> (i) deliver Eligible Collateral; (ii) provide Cash Collateral; or (iii) perform Cash Payment obligations <p>in accordance with the CDS Clearing Documentation, must enter into an agreement with a Securities Settlement Agent and/or a TARGET2 Payment Agent, on such terms as allow the Clearing Member to perform its obligations under the CDS Clearing Documentation as required by LCH.Clearnet SA.</p> <p>Article 2.2.7.3</p> <p>Notwithstanding the provisions of Article 2.2.7.2 above, the use of a Securities Settlement Agent and a TARGET2 Payment Agent shall not relieve the Clearing Member of its obligations under the CDS Clearing Documentation.</p>
<p>Provisions related to TARGET2 Payment Agents</p> <p>Article 2.2.7.4</p> <p>Clearing Members must ensure that they are able to comply with their Cash Payment obligations to LCH.Clearnet SA and their obligations to provide Cash Collateral, through TARGET2.</p> <p>Article 2.2.7.5</p> <p>Each Clearing Member must provide LCH.Clearnet SA with a Power of Attorney enabling it to directly debit or credit a Clearing Member's TARGET2 Account(s) or the cash account(s) of the TARGET2 Payment Agent, being used to satisfy a Clearing Member's obligations under Article 2.2.7.2.</p>	<p>Provisions related to TARGET2 Payment Agents</p> <p>Article 2.2.7.4</p> <p>Clearing Members must ensure that they are able to comply with their Cash Payment obligations to LCH.Clearnet SA and their obligations to provide Cash Collateral, through TARGET2 <u>in respect of Euro, through TARGET2 and, in respect of US Dollar, through their cash account(s) in US Dollar, in each case as provided for in Section 3 of the Procedures.</u></p> <p>Article 2.2.7.5</p> <p>Each Clearing Member must provide LCH.Clearnet SA with a Power of Attorney enabling it to directly debit or credit the Clearing Member's TARGET2 Account(s) <u>and/or cash account(s) in US Dollar</u> or the cash account(s) of the TARGET2 <u>any</u> Payment Agent, being used to satisfy the Clearing Member's</p>

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	obligations under Article 2.2.7.2.
<p>Article 4.2.3.1</p> <p>[...]</p> <p>The failure by LCH.Clearnet SA to provide any such reports shall not invalidate its ability to debit a Clearing Member's TARGET2 Account, in accordance with Article 4.2.3.2, using the Power of Attorney issued in its favour in accordance with Article 2.2.1.1(xiv)(a), to cover any Required Collateral Amount and/or Variation Margin.</p>	<p>Article 4.2.3.1</p> <p>[...]</p> <p>The failure by LCH.Clearnet SA to provide any such reports shall not invalidate its ability to debit a Clearing Member's TARGET2 Account <u>and/or any other cash account(s) as the case may be</u>, in accordance with Article 4.2.3.2, using the Power of Attorney issued in its favour in accordance with Article 2.2.1.1(xiv)(a), to cover any Required Collateral Amount and/or Variation Margin.</p>
<p>Article 4.2.3.2</p> <p>As set out in Section 3 of the Procedures, LCH.Clearnet SA will make a Collateral Call of an amount equal to the Required Collateral Amount in accordance with Section 3 of the Procedures.</p> <p>At the same time as each Collateral Call (other than an Additional Collateral Call), each Clearing Member or LCH.Clearnet SA, as the case may be, shall also be required to make a Cash Payment to satisfy the Variation Margin Requirement applicable to each of the Clearing Member's Margin Accounts.</p>	<p>Article 4.2.3.2</p> <p>As set out in Section 3 of the Procedures, LCH.Clearnet SA will make a Collateral Call of an amount equal to the Required Collateral Amount in accordance with Section 3 of the Procedures.</p> <p>At the same time as each Collateral Call (other than an Additional Collateral Call), <u>except as otherwise provided for in the Procedures</u>, each Clearing Member or LCH.Clearnet SA, as the case may be, shall also be required to make a Cash Payment to satisfy the Variation Margin Requirement applicable to each of the Clearing Member's Margin Accounts. <u>Such payments shall be made in the currency as provided for in Section 3 of the Procedures.</u></p> <p><u>By exception to the above, in any circumstance preventing the Cash Payments from being performed in US Dollar, LCH.Clearnet SA shall be entitled, and inform the Clearing Members of its intention, to convert any amount denominated in US Dollar in Euro, such conversion to be effected at the prevailing rate of exchange at the time of conversion and therefore, the Cash Payments obligations shall be performed in Euro, in accordance with Section 3</u></p>

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	<u>of the Procedures.</u>
<p>Article 4.2.4.1</p> <p>LCH.Clearnet SA shall, at any time on a Business Day pursuant to Article 4.2.1.2, have the right to calculate and make a Collateral Call on a Clearing Member to transfer to LCH.Clearnet SA such additional Collateral as LCH.Clearnet SA deems necessary to manage its risk exposure.</p> <p>[...]</p>	<p>Article 4.2.4.1</p> <p>LCH.Clearnet SA shall, at any time on a Business Day pursuant to Article 4.2.1.2, <u>any day in accordance with the CDS Clearing Rules</u>, have the right to calculate and make a Collateral Call on a Clearing Member to transfer to LCH.Clearnet SA such additional Collateral <u>through:</u></p> <p><u>(i) TARGET2, provided that such day is a Business Day;</u></p> <p><u>(ii) its cash account(s) in US Dollar, provided that such day is a day on which commercial banks in New York City are open for business,</u></p> <p>as LCH.Clearnet SA deems necessary to manage its risk exposure.</p> <p>[...]</p>
<p>Article 4.2.4.2</p> <p>Where LCH.Clearnet SA makes a Collateral Call in accordance with Article 4.2.4.1, each relevant Clearing Member shall transfer Collateral in the form and by such time as is required by LCH.Clearnet SA. LCH.Clearnet SA shall notify each relevant Clearing Member, as soon as is reasonably practicable, providing at least 45 minutes notice of the time at which such Clearing Member is required to transfer Collateral to LCH.Clearnet SA. LCH.Clearnet SA shall use all reasonable endeavours, from the time at which the decision to make a Collateral Call is made by it and until the time at which the Clearing Member is required to transfer Collateral, to contact each relevant Clearing Member, by any method of communication available to it, to inform the Clearing Member of its intention to make a Collateral Call in accordance with Article 4.2.4.1. Provided that LCH.Clearnet SA has complied with the</p>	<p>Article 4.2.4.2</p> <p>Where LCH.Clearnet SA makes a Collateral Call in accordance with Article 4.2.4.1, each relevant Clearing Member shall transfer Collateral in the form and by such time as is required by LCH.Clearnet SA. LCH.Clearnet SA shall notify each relevant Clearing Member, as soon as is reasonably practicable, providing at least 45 minutes notice of the time at which such Clearing Member is required to transfer Collateral to LCH.Clearnet SA. LCH.Clearnet SA shall use all reasonable endeavours, from the time at which the decision to make a Collateral Call is made by it and until the time at which the Clearing Member is required to transfer Collateral, to contact each relevant Clearing Member, by any method of communication available to it, to inform the Clearing Member of its intention to make a Collateral Call in accordance with Article 4.2.4.1. Provided that LCH.Clearnet SA has complied with the requirements of this</p>

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<p>requirements of this Article 4.2.4.2, it shall have the right to debit a Clearing Member's TARGET2 Account using the Power of Attorney issued in its favour in accordance with Article 2.2.1.1(xv)(a), to cover any such Collateral requirement.</p>	<p>Article 4.2.4.2, it shall have the right to debit a Clearing Member's TARGET2 Account <u>or as the case may be, any cash account in US Dollar,</u> using the Power of Attorney issued in its favour in accordance with Article 2.2.1.1(xvxiv)(a), to cover any such Collateral requirement.</p>
<p>Article 4.2.5.2</p> <p>Variation Margin shall be payable by a Clearing Member or LCH.Clearnet SA, as applicable, at the same time as the Morning Call and First Intraday Call.</p> <p>LCH.Clearnet SA and each Clearing Member required to make a Cash Payment in relation to such Variation Margin shall do so by such times as set out in Section 3 of the Procedures.</p>	<p>Article 4.2.5.2</p> <p>Variation Margin shall be payable by a Clearing Member or LCH.Clearnet SA, as applicable, at the same time as the Morning Call and First Intraday Call, <u>except as otherwise provided for in the Procedures.</u></p> <p>LCH.Clearnet SA and each Clearing Member required to make a Cash Payment in relation to such Variation Margin shall do so by such times as set out in Section 3 of the Procedures.</p>
<p>Article 4.2.7.7</p> <p>In connection with the establishment and validation of an End of Day Contributed Price, each Price Contribution Participant shall, in accordance with process set out in Section 5 of the Procedures relating to End of Day Contributed Prices, enter into a CDS with another Price Contribution Participant following notification from LCH.Clearnet SA that they are required to do so and the terms on which such CDS should be executed. By the End of Day on the Clearing Day following receipt of such notification from LCH.Clearnet SA, the Price Contribution Participant shall evidence that such CDS has been entered into, as described in Section 5 of the Procedures.</p>	<p>Article 4.2.7.7</p> <p>In connection with the establishment and validation of an End of Day Contributed Price, each Price Contribution Participant shall, in accordance with process set out in Section 5 of the Procedures relating to End of Day Contributed Prices, enter into a CDS with another Price Contribution Participant following notification from LCH.Clearnet SA that they are required to do so and the terms on which such CDS should be executed. By the End of Day on the <u>Clearing Price Contribution</u> Day following receipt of such notification from LCH.Clearnet SA, the Price Contribution Participant shall evidence that such CDS has been entered into, as described in Section 5 of the Procedures.</p>