

Triparty Collateral - confirmation of Clearstream Banking S.A. as Triparty Collateral Provider

Further to Circular C10/046 dated 27 May 2010, ICE Clear Europe (the "Clearing House") has extended the list of Triparty Collateral Provider to include Clearstream Banking S.A. ("CBL"), solely with respect to Original Margin provided in respect to Futures and Options Contracts.

Triparty Collateral is an efficient and easy way for Clearing Members to manage collateral to meet liabilities towards the Clearing House. The Triparty Collateral Provider will transfer Permitted Collateral from the Clearing Member's account at the Triparty Collateral Provider into the Clearing House's account up to the value agreed by both parties. Any cover above the agreed value will be returned. Bonds to be delivered by the Clearing Member but used to meet liabilities to the Clearing House will be substituted by the Triparty Collateral Provider. The Triparty Collateral Provider does not provide a guaranty for the Clearing Member but executes transfers as long as sufficient Permitted Cover has been made available by the Clearing Member.

In order to use the Triparty Collateral Service offered by CBL, the following conditions must be met:

- the Clearing Member should open a Triparty Collateral Account available for the lodgment of eligible collateral with the Clearing House at CBL; and
- Clearing Member and CBL are required to sign the Collateral Management Service Agreement dated May 2013 ("CMSA"), acknowledging their consent to CBL's Terms and Procedures, agreeing to the risk profile (via "Appendix A. Counterparty acceptance list and baskets" to the CMSA or authenticated message) and the operational profile and distribution of the costs (via "Appendix D. Customer Operational Profile" to the CMSA).

The Clearing House's Administrative Procedures should be read in conjunction with the Terms and Conditions and the Procedures of CBL.

Deposit/Withdrawal Instructions

Using ECS, the Clearing Member has the ability to instruct the Clearing House to initiate, amend or close a Triparty Collateral transaction. When instructed prior to the deadline and when sufficient collateral is available to cover the liabilities of the Clearing Member, the Clearing House will instruct CBL according to the Clearing Member's instruction. It is the responsibility of the counterparty to match this instruction and make sufficient permitted collateral available to settle the transaction.

The Clearing Member has the ability to instruct the Clearing House:

- For same day deposits and withdrawals up to 15:00 London Local time; and
- For next day deposits and withdrawals up to 16:00 London Local time.

Same day and next day reductions or closures will only be accepted when sufficient alternative collateral is available to meet the Clearing Member's margin requirements. Upon acceptance the collateral value will be decreased

CIRCULAR C15/018

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Category:

Operations

Attachments:

Attachment 1:
Collateral Management
Service Agreement

Attachment 2:
Appendix A -
Counterparty
acceptance list and
baskets

Attachment 3:
Appendix D -Customer
Operational Profile

Summary of content:

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immediately. Same day initiations or increases will receive collateral value as soon as the transaction has been filled completely. Next day initiations and increases will receive collateral value in the next overnight clearing cycle.

Intraday Call

The Clearing House is entitled to raise an additional intraday requirement when a Triparty Collateral transaction is not filled completely at 09:00 London Local time. The value of the additional requirement will be the difference between the nominal value of the transactions and the collateral value of the securities used to fill the transaction. This intraday requirement must be met through Permitted Cover in accordance with the Clearing House Rules. The intraday requirement will not be released until the next overnight clearing process.

Haircut Rates

Collateral provided via Triparty Collateral arrangements will be subject to the same haircuts as Permitted Cover used to fulfill the transaction. These haircuts are part of the Triparty Collateral Agreement. The Clearing House will inform Clearing Members about changes in the allowed collateral or haircut applied and will provide the Members with an adjusted risk profile. The Clearing Member has to inform the Triparty Collateral Provider as soon as possible about its acceptance.

Fees

Clearing Members are advised that Triparty Collateral will be classified as Collateral for the purpose of Clearing Member Returns as set out in Circulars C12/067 dated 15 June 2012, C13/048 dated 28 June 2013 and C14/098 dated 04 August 2014.

Please ensure that the appropriate members of staff within your organization and customers are advised of the content of this Circular.

Should you have any questions in relation to this Circular or require any further information, please contact Federico Becerra, Director of Treasury and Banking Services on +44 (0)20 7429 4569 or by email federico.becerra@theice.com, Camiel Janmaat, Head of Treasury and Banking Services on +44 (0)20 7065 7603 or by email camiel.janmaat@theice.com.

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:



Paul Swann
President & Managing Director

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