

Circular C24/053

ICE Clear Europe - Introduction of Minimum Cash Requirement for USD and GBP Margin

Category

General

Attachments

None

In line with industry best practices, ICE Clear Europe is implementing changes to its cash collateral requirements to help manage the liquidity risk at the Clearing House.

Clearing Members are advised that, the following changes will be made to Margin requirements applicable to Clearing Members under the Clearing House Rules:

- a) Pursuant to Rule 502(d), for all GBP and USD Margin obligations a minimum of 45% of such Margin will be required to be maintained in GBP and USD cash, respectively. This requirement is in line with the minimum cash requirement for EUR Margin obligations (as set out in Circular **C22/122**). The new minimum requirements will apply to all Margin Accounts except DCM Customer Accounts of FCM/BD Clearing Members. Existing Margin requirements which require outright transfer of 100% cash will remain unchanged.
- b) Pursuant to Rule 502(f), Clearing Members are required to transfer cash in GBP and USD to the Clearing House in substitution for Permitted Cover already transferred to the Clearing House to the extent required to comply with the requirement in (a) above.
- c) For the avoidance of doubt, the minimum cash requirement of 45% specified in (a) above must be satisfied on an ongoing basis and as such, any substitution of cash Margin with other Permitted Cover will only be permitted to the extent that it does not breach the requirement specified in (a) above.

Subject to the completion of relevant regulatory processes, this requirement will become effective from the close of business on **Monday 02 December 2024** and will be reflected in margin calls made on **Tuesday 03 December 2024** and thereafter.

Should you have any questions in relation to this Circular or require any further information, please contact Treasury Department by phone on +44 (0) 20 7429 4580 or by email ICEClearEuropeTreasury@ice.com.

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

For more information, please contact:

Treasury Department

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