

MEMORANDUM

TO: File

FROM: Kim Allen

RE: Meeting between OTC Derivatives Regulators Forum members and representatives of certain central counterparties (CCPs)

DATE: October 21, 2011

On October 5, 2011, members of the OTC Derivatives Regulators Forum (ODRF), including Dawn Patterson and Kim Allen of the Securities and Exchange Commission, met with representatives of eight CCP service providers to discuss questions and issues related to clearing of OTC derivatives products.

The CCP representatives provided brief status updates of their respective services and discussed current market developments, including Dodd-Frank Wall Street Reform and Consumer Protection Act, and ongoing engagement with ODRF members.

Attached is a list of the ODRF members and CCP representatives attending the October 5 meeting, the agenda, and copies of the presentations given by five of the CCP representatives (Eurex Clearing, ICE Clear Credit and ICE Clear Europe, Japan Securities Clearing Corporation, and SwapClear).

OTC Derivatives Regulators' Forum – CCP Session

5 October 2011

List of Registered Attendees

Authorities

Australia	Australian Securities and Investments Commission Reserve Bank of Australia Financial Services and Markets Authority	(Dialing in) Mark Chambers
Belgium	National Bank of Belgium	Didier Niclaes Steven van Cauwenberge
Canada	Alberta Securities Commission Autorité des marchés financiers (Québec)	Debra MacIntyre Jean-Philip Villeneuve Derek West Carolyn Wilkins
European Authorities	Bank of Canada Office of the Superintendent of Financial Institutions Ontario Securities Commission European Central Bank European Commission	Brad Shinn Kevin Fine Corinna Freund Perrine Herrens Schmidt Muriel Jakubowicz (by phone)
France	European Securities and Markets Authority Autorité de Contrôle Prudentiel (ACP) Autorité des Marchés Financiers	Fabrizio Planta (by phone) Julien Mignot
Germany	Banque de France Banque de France BaFin	Catherine Dias Philippe Mongars Anne-Laure Roche-Rault Claudia Grund Sophie Hübner
Hong Kong	Deutsche Bundesbank Hong Kong Monetary Authority	Anna Pliquet Polly Lee Pansy Pang
International Organisations	Hong Kong Securities and Futures Commission Bank for International Settlements	Ryan Ko Can Okay
Italy	Bank of Italy	Domenico Gammaldi
Japan	Bank of Japan Financial Services Agency	Keiko Harimoto Makoto Seta
Mexico	Bank of Mexico	Luis Manuel de los Santos Cayetano David Margolin
Singapore	Monetary Authority of Singapore	Shu Ping Chien Pui Hoon (by phone) Nagatsuka Ken (by phone) Tiak Peow Phua (by phone)
Spain	Banco de España CNMV	Montserrat Jimenez Miguel Ángel Herrero Alvite
Sweden	Financial Supervisory Authority Sveriges Riksbank	Jan Axelsson Johanna Stenkula von Rosen
The Netherlands	AFM	Wim Moeliker
United Kingdom	De Nederlandsche Bank Bank of England Financial Services Authority	Frans Alexander Rijkschroeff Robleh Ali Robert Barnes Benjamin Cohn-Urbach Sarah Harris David Lawton Ben Mitchell

United States	Commodity Futures Trading Commission	Warren Gorlick Robert Wasserman
	FDIC	Petrina Dawson John Feid Richard Heckinger
	Federal Reserve Bank of Chicago Federal Reserve Bank of New York	Marsha Takagi Christopher Tsuboi Jennifer A. Lucier Namirembe Mukasa
	Federal Reserve Board	
	New York State Department of Financial Services	Regina Stone Paul Zhang
	Office of the Comptroller of the Currency	Michelle Taylor Kurt Wilhelm
	Securities and Exchange Commission	Kim Allen Dawn Patterson
CCP Representatives at CCP Session		
Germany	Eurex Clearing	Patrick Deierling
Hong Kong	Hong Kong Exchanges and Clearing Limited	Kelvin Lee
Japan	Japan Securities Clearing Corporation	Takeshi Hirano
	Tokyo Stock Exchange	Moriyuki Iwanaga
United Kingdom	ICE Clear Europe LCH.Clearnet SwapClear	Paul Swann Michael Davie Daniel Maguire
United States	CME	Kim Taylor Sasha Rozenberg
	ICE Clear Credit	Chris Edmonds Peter Barsoom
	IDCG	Garry O'Connor Alan Sobba

**OTC Derivatives Regulators' Forum
Joint Session with Authorities and CCPs**

Federal Reserve Bank of New York

Wednesday, 5 October 2011, 9.00 am – 11.00 am EDT

Agenda

CCPs Participating:

- *CME - Kim Taylor (Managing Director and President, Clearing Division)*
- *Eurex - Patrick Deierling (Senior Vice President, Clearing Initiatives)*
- *ICE Clear Europe - Paul Swann*
- *ICE Clear Credit - Chris Edmonds (President) & Peter Barsoom (Chief Operating Officer)*
- *International Derivatives Clearing Group (IDCG) - Garry O'Connor (CEO) and Alan Sobba (Chief Policy and Communications Officer)*
- *Japan Securities Clearing Corporation –Moriyuki Iwanaga (Executive Officer, Tokyo Stock Exchange) and Takeshi Hirano (Director, OTC Derivatives Clearing Service)*
- *LCH.Clearnet Ltd SwapClear – Michael David (CEO, SwapClear) and Daniel Maguire (Head of OTC Derivatives, Risk and Operations)*
- *HKEX – Kelvin Lee (VP – Market Development Division)*

Topics for Discussion

1. Gain views from CCPs on their experiences with information sharing about their operations amongst regulators and the usefulness of the different forms of information sharing used globally, including the use of supervisory colleges, PLS, public disclosure etc.
2. Exchange of views between Authorities and CCPs about what information CCPs currently disclose, both about their own operations and regular data about volumes cleared, etc, and the information that should be disclosed or could usefully made public by all CCPs.
3. Provide the CCPs with an opportunity to discuss issues of interest to them with the ODRF (will require advanced notification of topics from CCPs).

Cleared for Public Release

Role of Eurex Clearing as CCP: The Future of Clearing

**OTC Derivatives Regulator's Forum
Federal Reserve Bank of New York**

05 October 2011



Eurex Clearing is one of largest CCPs globally

Eurex Clearing ...

§ is the clearinghouse within Deutsche Börse Group

§ offers fully automated and straight-through post trade services for derivatives, equities, repo (sale and repurchase agreement), energy and fixed income transactions

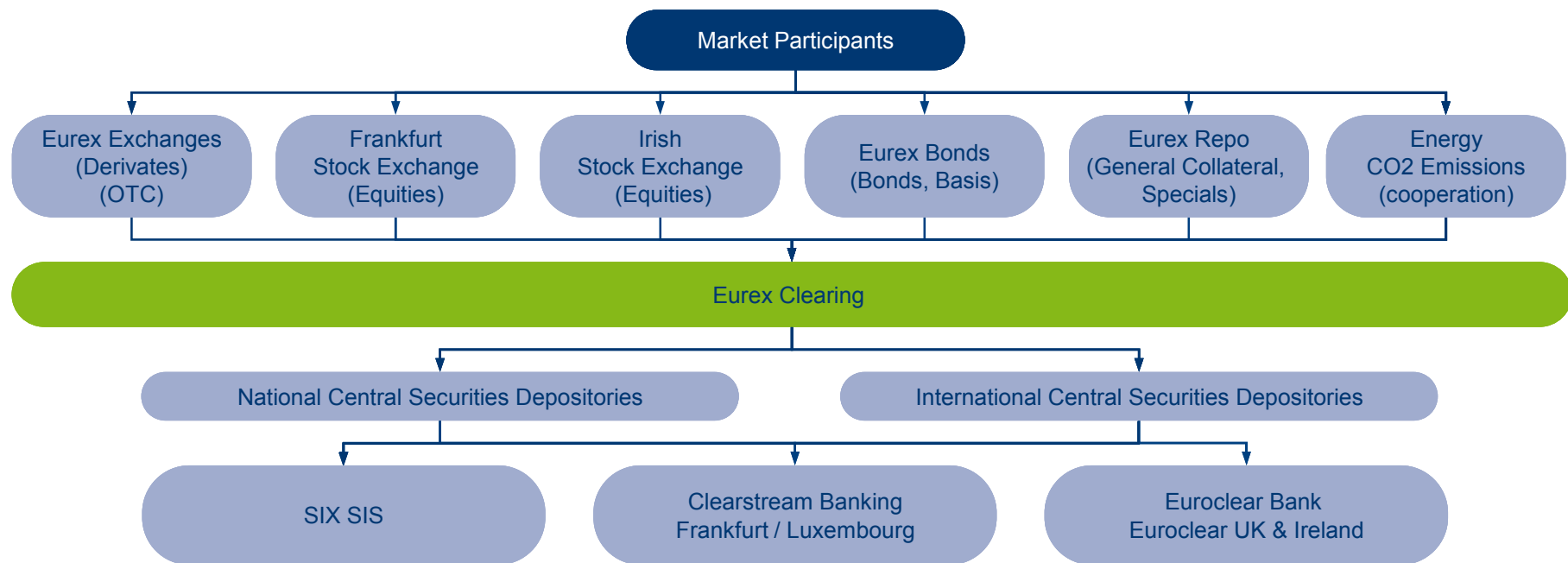
§ acts as a central counterparty for its cleared markets – becomes a buyer to all sellers and a seller to all buyers thereby minimizing counterparty risk and improving operational efficiency

§ offers flexible trade management functions, advanced risk management services, efficient collateral and delivery management tools

§ is a company incorporated in Germany and licensed as a credit institution under supervision of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) pursuant to the Banking Act (Gesetz für das Kreditwesen).

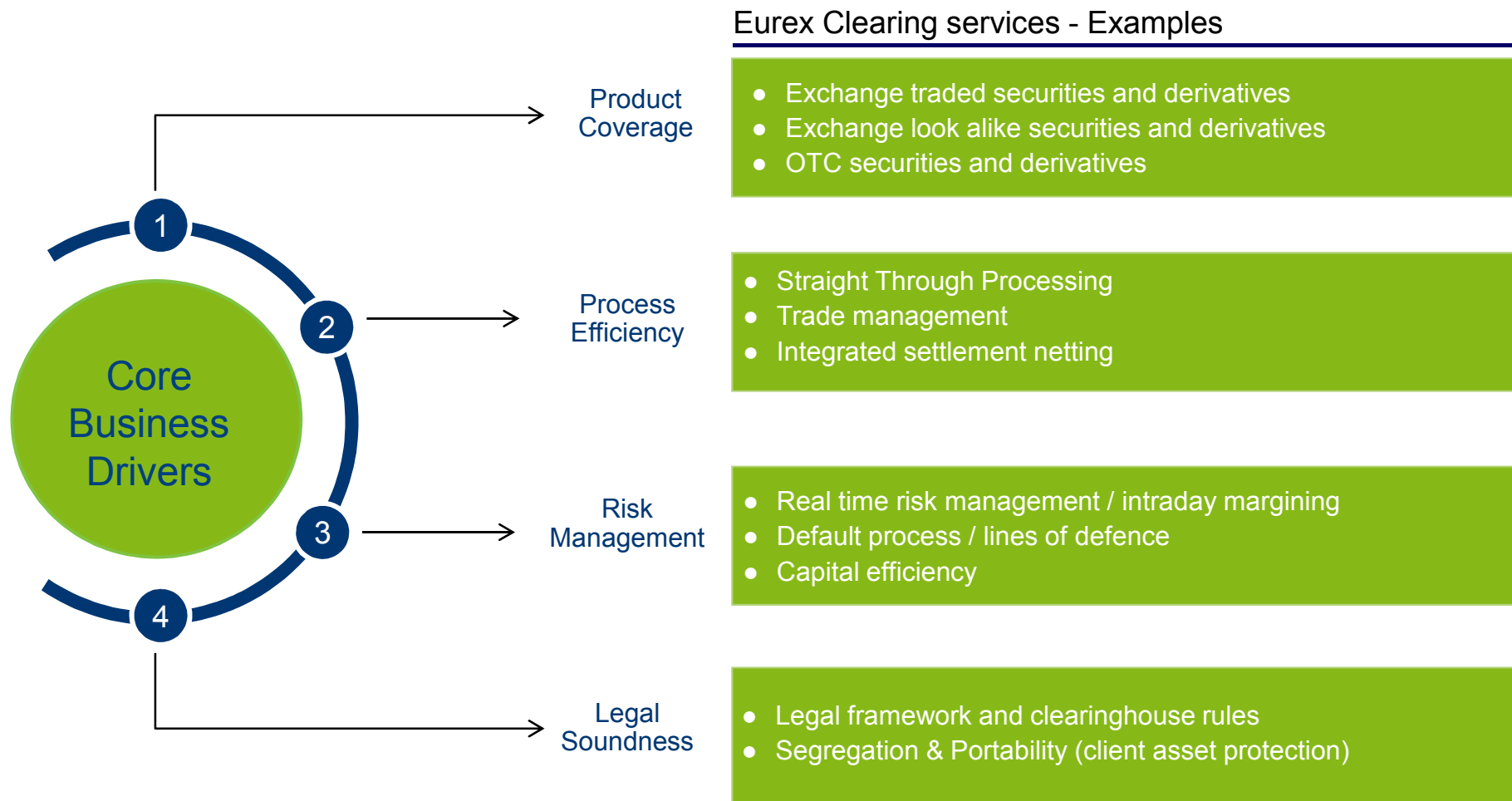
§ the Financial Services Authority (FSA) has granted Eurex Clearing status as a Recognised Overseas Clearing House (ROCH) in the United Kingdom

Eurex Clearing Offers Central Counterparty Services for Multiple Asset Classes Across Multiple Markets

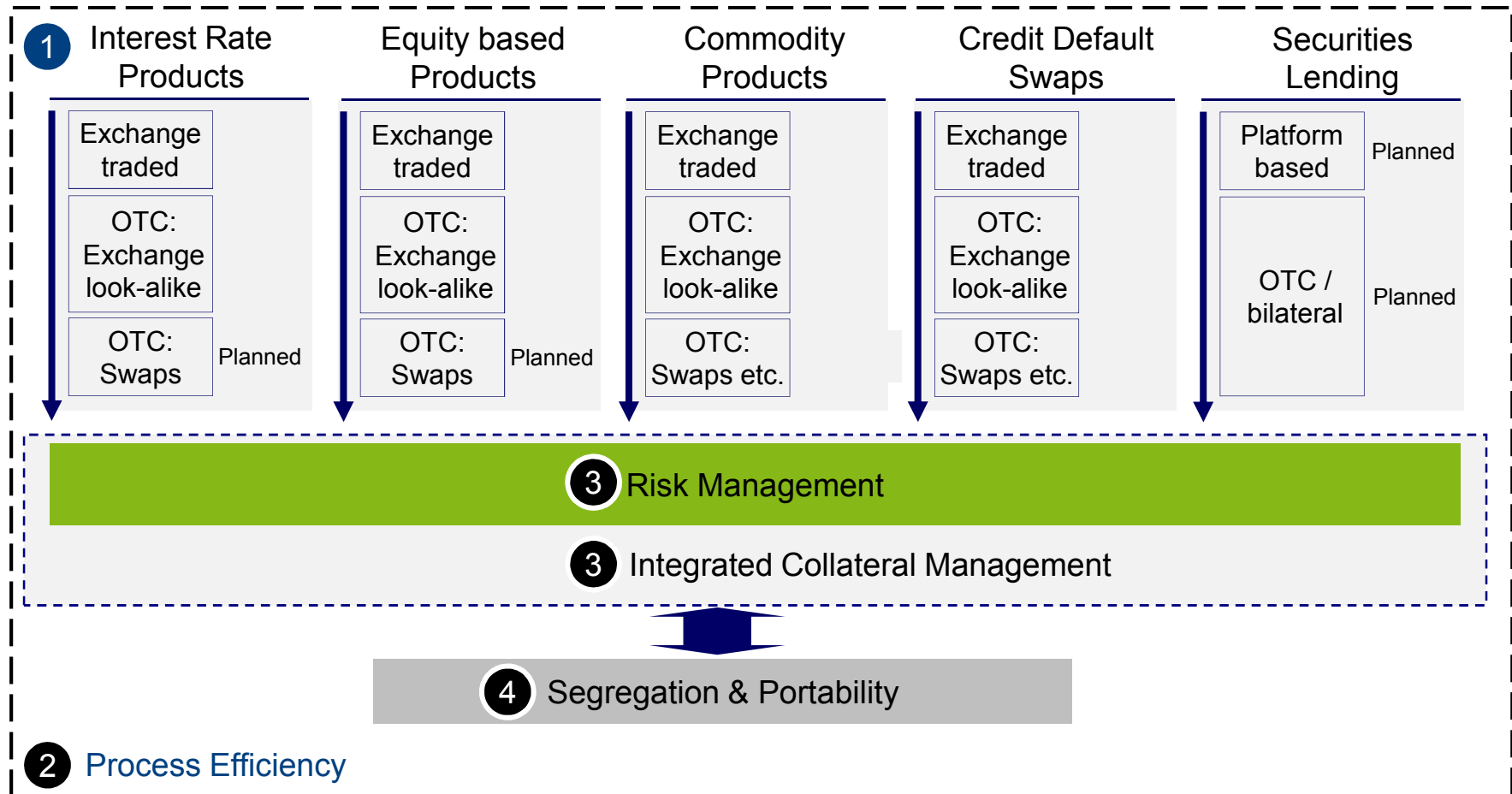


For the Frankfurt Stock Exchange (FWB®), the Irish Stock Exchange and the European Energy Exchange Eurex Clearing is Central Counterparty only for CCP eligible trades.

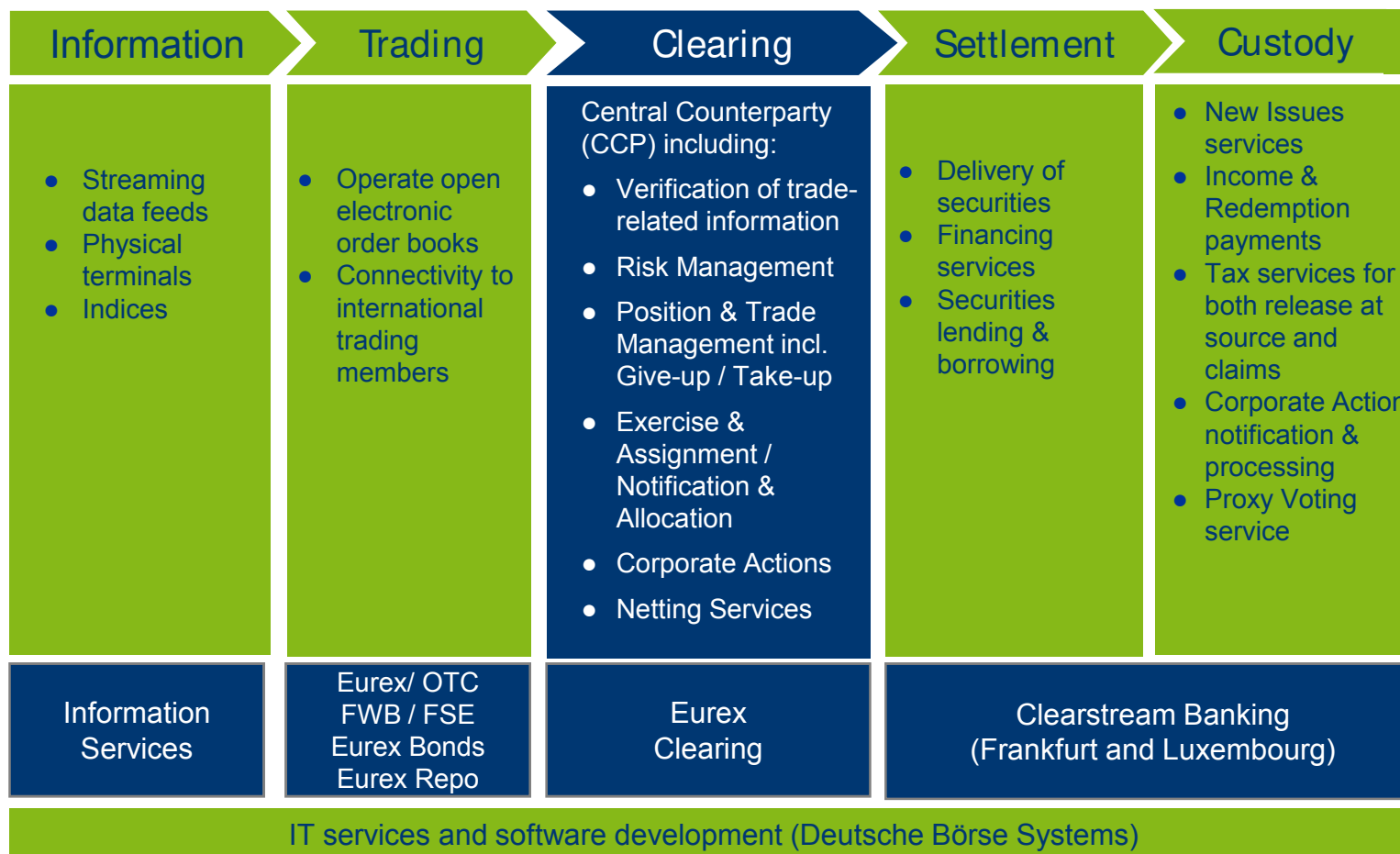
Core business drivers for CCPs will be four factors



Eurex Clearing is the leading European CCP and committed to provide industry leading clearing solutions



Eurex Clearing is an Integral Part of the Deutsche Börse Value Chain



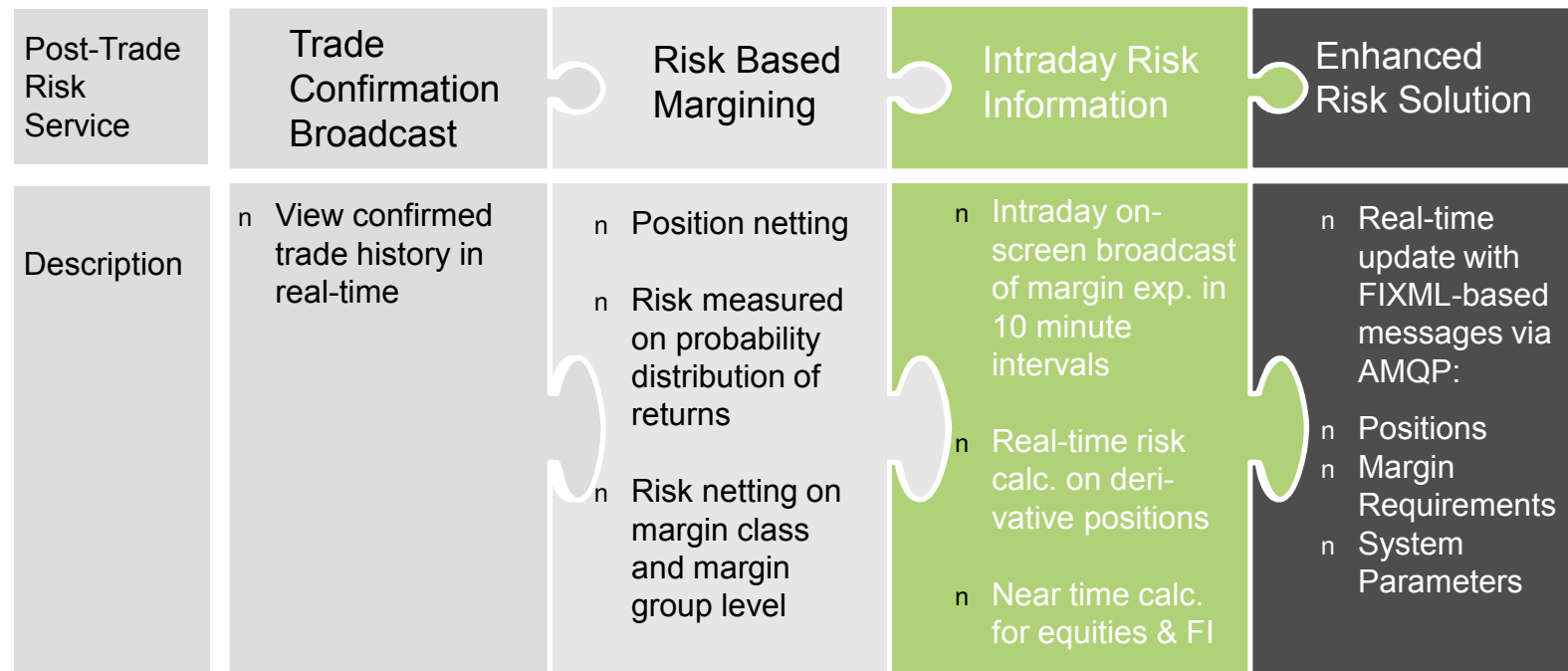
Substantial changes in trading patterns lead to the extension of the range of Pre-Trade Risk Services by Eurex Clearing

Eurex Clearing's Pre-Trade Risk Services provide efficient toolbox to address risk management requirements arising out of algorithmic trading, but applicable to several parts of the Trading & Clearing members business.

Pre-Trade Risk Service	Pre-Trade Limit System *	Intraday Theoretical Price files	Order Confirmation Broadcast *	Stop Button *
Description	<ul style="list-style-type: none"> n CMs are able to limit the trading activities of their traders and NCM already pre-trade n Limit System is able to address size and frequency of trading 	<ul style="list-style-type: none"> n Interested parties can retrieve from the Eurex Clearing Website 4 times per day updated intraday theoretical pricefile 	<ul style="list-style-type: none"> n Clearing Member and NCM are continuously informed about the status of their open orders 	<ul style="list-style-type: none"> n Stop Button allows quick reaction of CMs in emergency situations to prevent any further risk increase n Stop Button can be used by NCMs as well

... which is already complemented by a comprehensive range of Post-Trade Risk Services

Eurex Clearing's Post-Trade Risk Services provide real-time information for optimized intraday risk management once a trade has been executed*



* Derivatives, Equities and Fixed Income

Eurex Clearing ensures highest protection by providing segregation and timely portability

Introduction

- We have introduced a further dimension to our proven clearing service by addressing segregation and portability needs that will benefit both Clearing Members and their clients
- Since the unprecedented example from 2008, there has been a growing demand from clients for mechanisms to effectively address the requirements for Client Asset Protection
- Our solution has been designed with a view to ensure compliance with regulatory initiatives that will be implemented during 2012

Benefits

- Our Client Asset Protection service has been designed to deliver
 - Maximum protection for clients under a proven legal construct
 - Segregation of client margin collateral mitigating the impact on clients in the event of a Clearing Member's (CM's) default
 - Portability of positions enabling continued trading in the event of their CM's default
 - Portability of client margin collateral in the event of a CM's default
 - Unique client segregation offering a higher level of protection with the Individual Clearing Model
 - Further capital efficiencies with upcoming regulations

Cleared for Public Release



OTC Derivatives Regulators Forum

ICE Clear Credit & ICE Clear Europe Overview

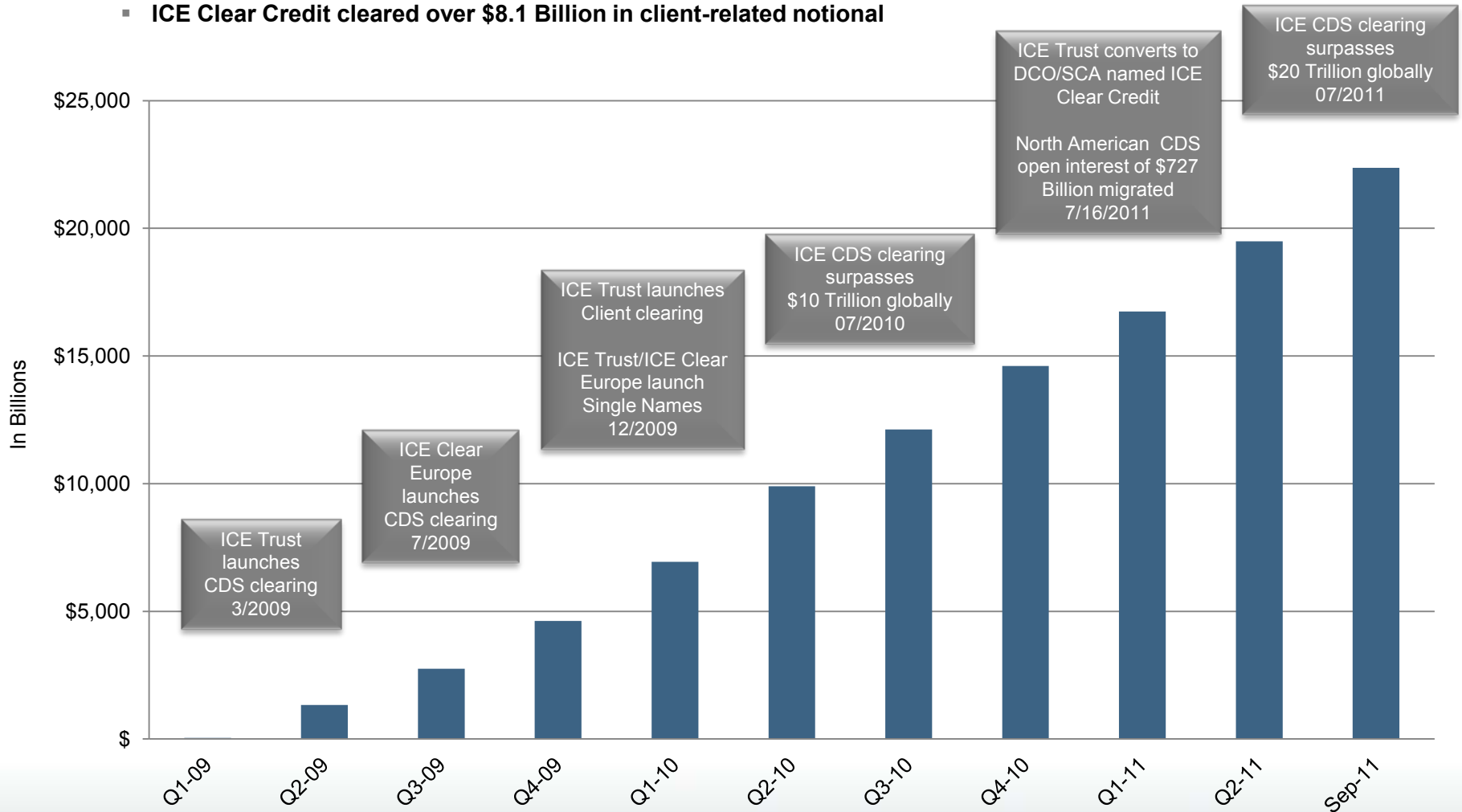
Christopher S. Edmonds, Paul Swann

October 5, 2011

ICE CDS Milestones and Volume Cleared

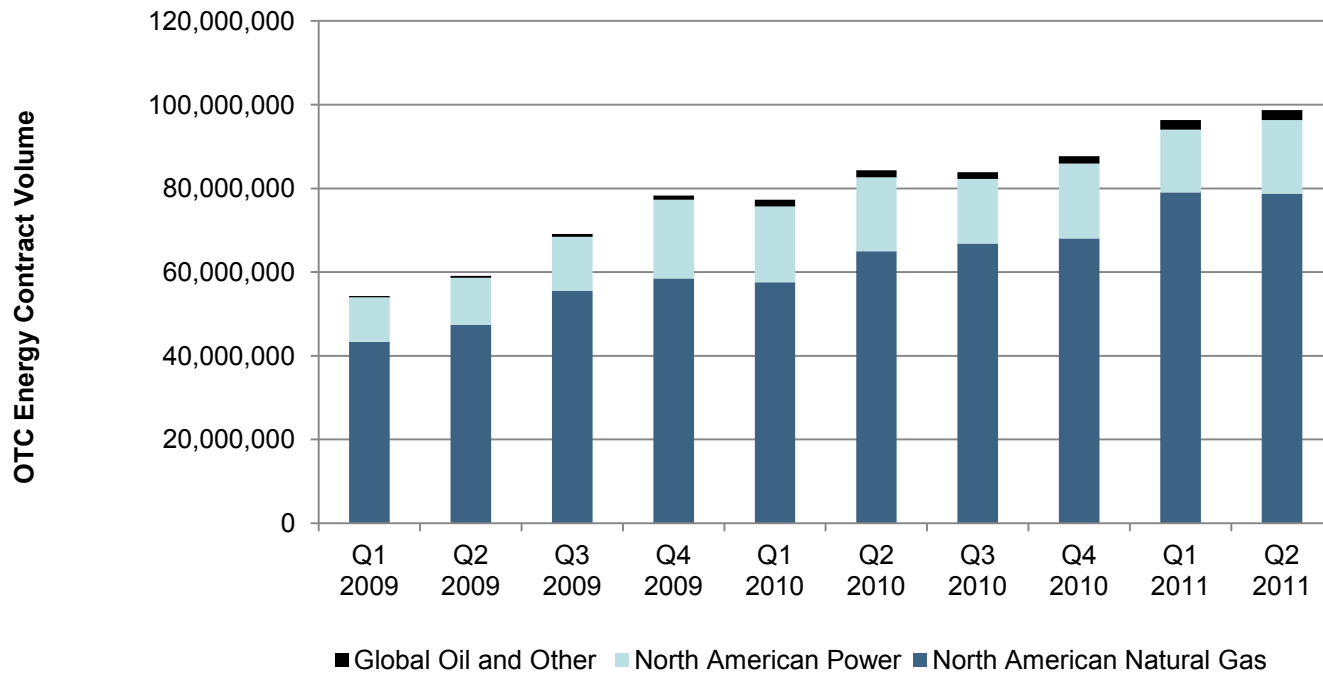
Global Cumulative Volume

- Over \$22.6 Trillion notional cleared globally
- ICE Clear Credit cleared over \$8.1 Billion in client-related notional



ICE OTC Energy Volume Cleared

ICE operates the leading global OTC marketplace for natural gas, power, refined oil products and natural gas liquids



Energy Products

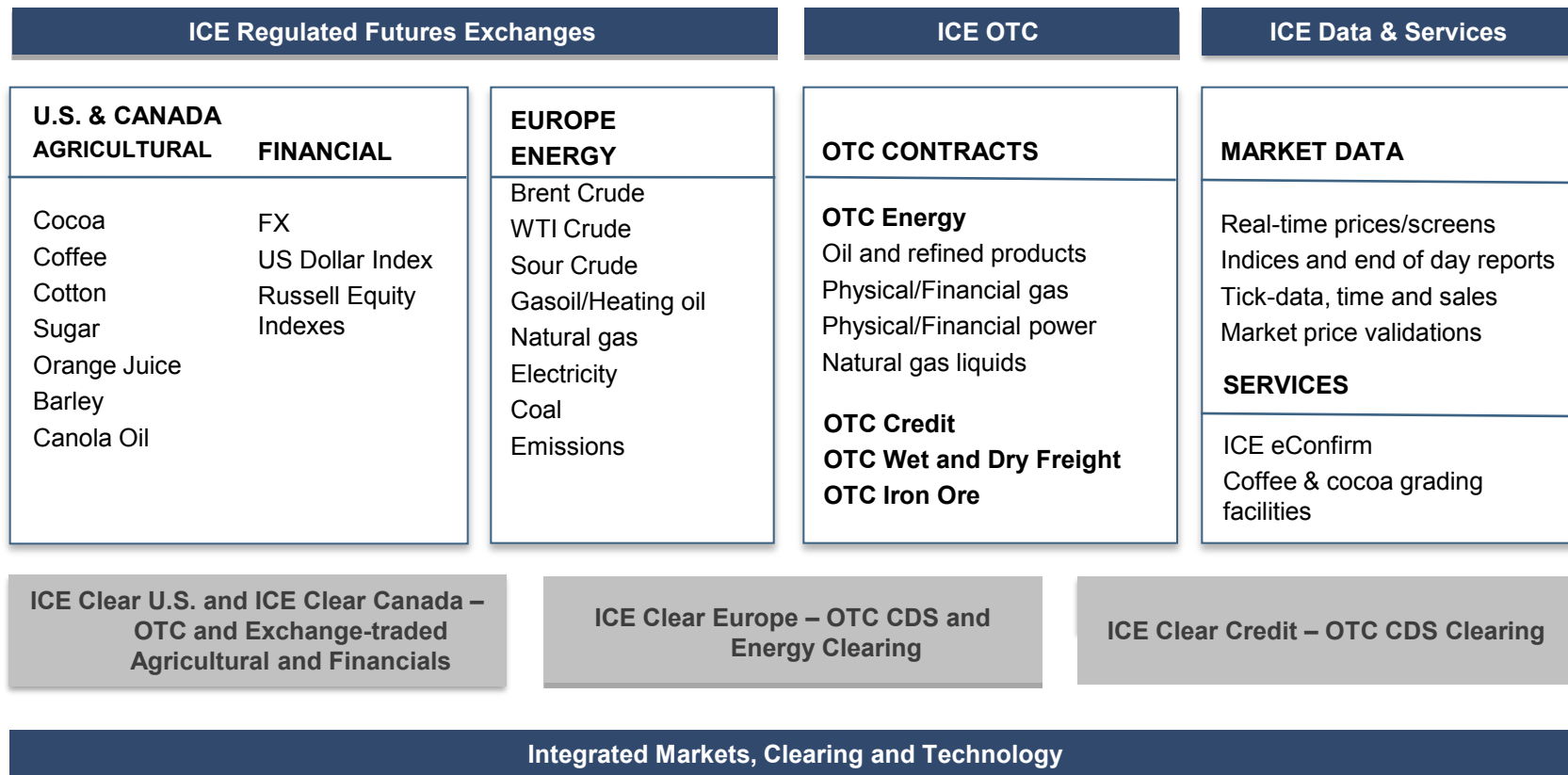
- Over 500 cleared energy products
- Brokered and electronic markets

Energy Customers

- Commercial energy companies ~51%
- Banks/Financial institution ~24%
- Liquidity providers ~25%

Listing of ICE Clear Europe Energy Membership can be found at https://www.theice.com/clear_europe_membership.jhtml

ICE Overview



ICE Global CDS Products and Clearing Participants

80 Indices

North America (CDX)		Europe (iTraxx)	
IG	S8 – S17	Main	S7 – S16
HY	S8 – S16	XO	S9 – S16
HVOL	S8 – S16	HVOL	S7 – S16

249 Single Names

Sector	North America	Europe
Consumer Services	30	22
Industrials	18	15
Consumer Goods	15	19
Utilities	6	16
Financials	22	15
Basic Materials	7	14
Telecommunications	3	13
Healthcare	9	2
Oil & Gas	9	4
Technology	9	1

Listing of clearing eligible instruments can be found at:

[ICE Clear Credit](#)
[ICE Clear Europe](#)

As of September 20, 2011

Clearing Participant (CP)	ICE Clear Credit	ICE Clear Europe
Bank of America	✓	✓
Barclays	✓	✓
BNP Paribas	✓	✓
Citibank	✓	✓
Credit Suisse	✓	✓
Deutsche Bank	✓	✓
Goldman Sachs	✓	✓
HSBC *	✓	✓
JPMorgan	✓	✓
Merrill Lynch	✓	✓
Morgan Stanley	✓	✓
Nomura	✓	✓
RBS *	✓	✓
Société Générale *	✓	✓
UBS	✓	✓
Unicredit AG	-	✓

*HSBC, RBS and Société Générale are self-clearing participants only for ICE Credit

Listing of Clearing Participants can be found at:

[ICE Clear Credit](#)
[ICE Clear Europe](#)

Features of ICE CDS Clearing

Expertise & Depth

- Over 320 cleared CDS products globally
 - 41 Clearing Participants globally
 - Managed numerous Credit Events, Succession Events and Matured Contracts
 - Leading market connectivity processing thousands of trades daily
-

Customer Protection

- Segregation of gross margin at the clearing house
 - Robust default protection and legal framework
 - Pre and post default portability of positions and collateral supported
-

Risk Management

- World class risk management designed specifically for CDS
 - Guaranty fund covers simultaneous default of 2 largest Clearing Participants
 - Transparent and replicable margin requirements
 - EOD settlement process based on prices subject to execution
-

Ease of Doing Business

- Open access: supporting multiple platforms
- Trades cleared intra-day, on a near real-time basis
- Support for all trade life cycle events: backloading, netting, credit events
- Allows users to leverage existing infrastructure – no costly technology build

2011 Global Accomplishments

Dodd-Frank Compliance

- Successfully converted ICE Trust to DCO/SCA and renamed ICE Clear Credit
 - Migrated \$727 Billion in open interest
 - ICE Clear Europe deemed SCA
-

Expanded Product / Members

- Cleared global volume of \$23 trillion
 - Launched 47 single names globally
 - Added 12 additional Clearing Participants
 - Operationally ready to clear Latin American sovereigns in ICE Clear Credit
 - Operationally ready to clear Western European sovereigns in ICE Clear Europe
-

Pricing & Risk Management

- Successfully conducted two default management exercises
 - Developed capabilities to support strategic restructuring process and successfully participated in industry-wide test in Europe
-

Process Improvements

- Adapted operations and technology in ICE Clear Credit to accommodate both FCM/BD and self-clearing workflows
- Launched CP-CP trade date clearing

Cleared for Public Release

Japan Securities Clearing Corporation

Outline of service and future plans

October 5, 2011

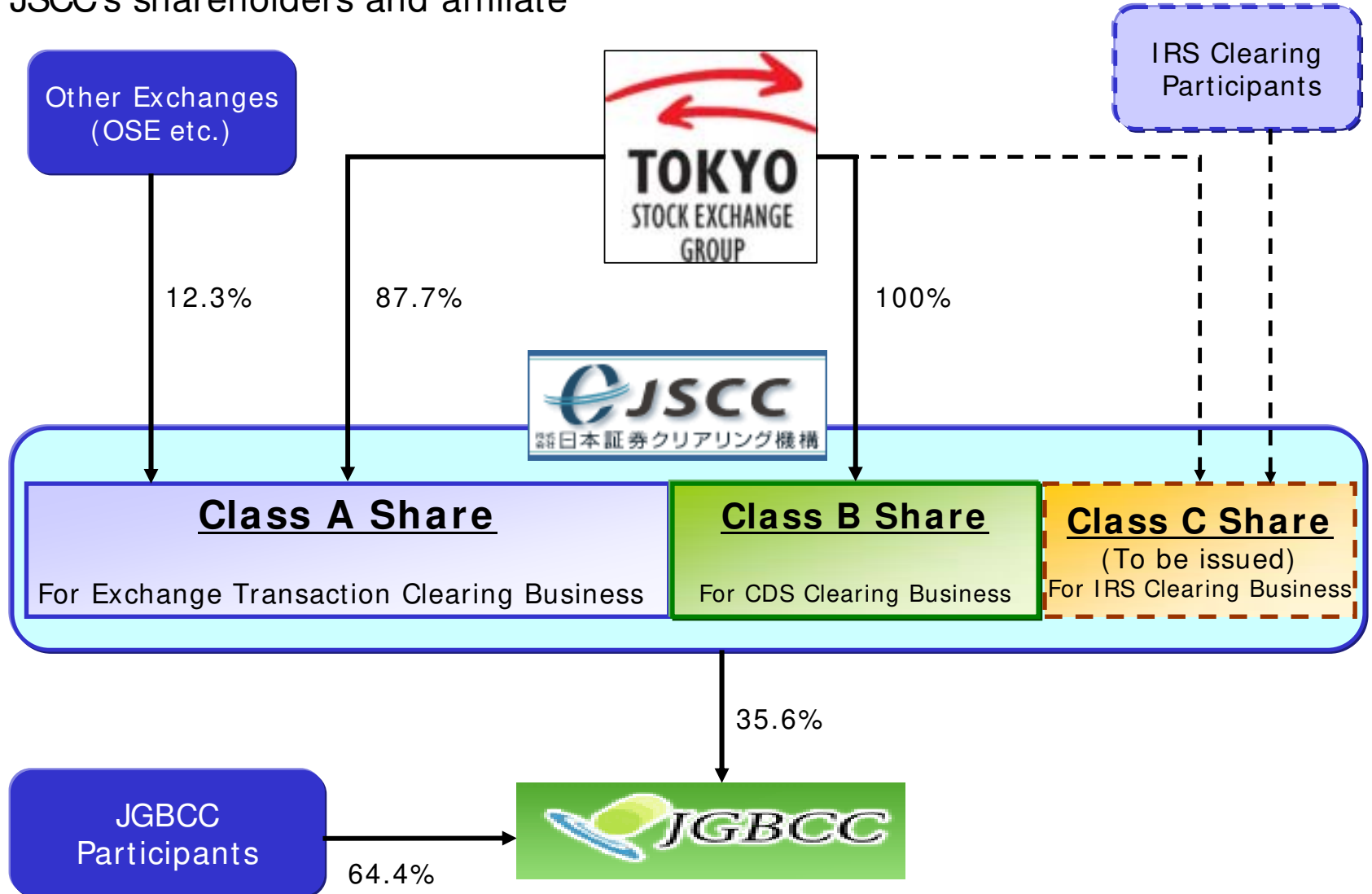
Japan Securities Clearing Corporation
Prepared for OTC Derivatives Regulators Forum

1. Overview of Japan Securities Clearing Corporation (JSCC)

■ Corporate history and its structure

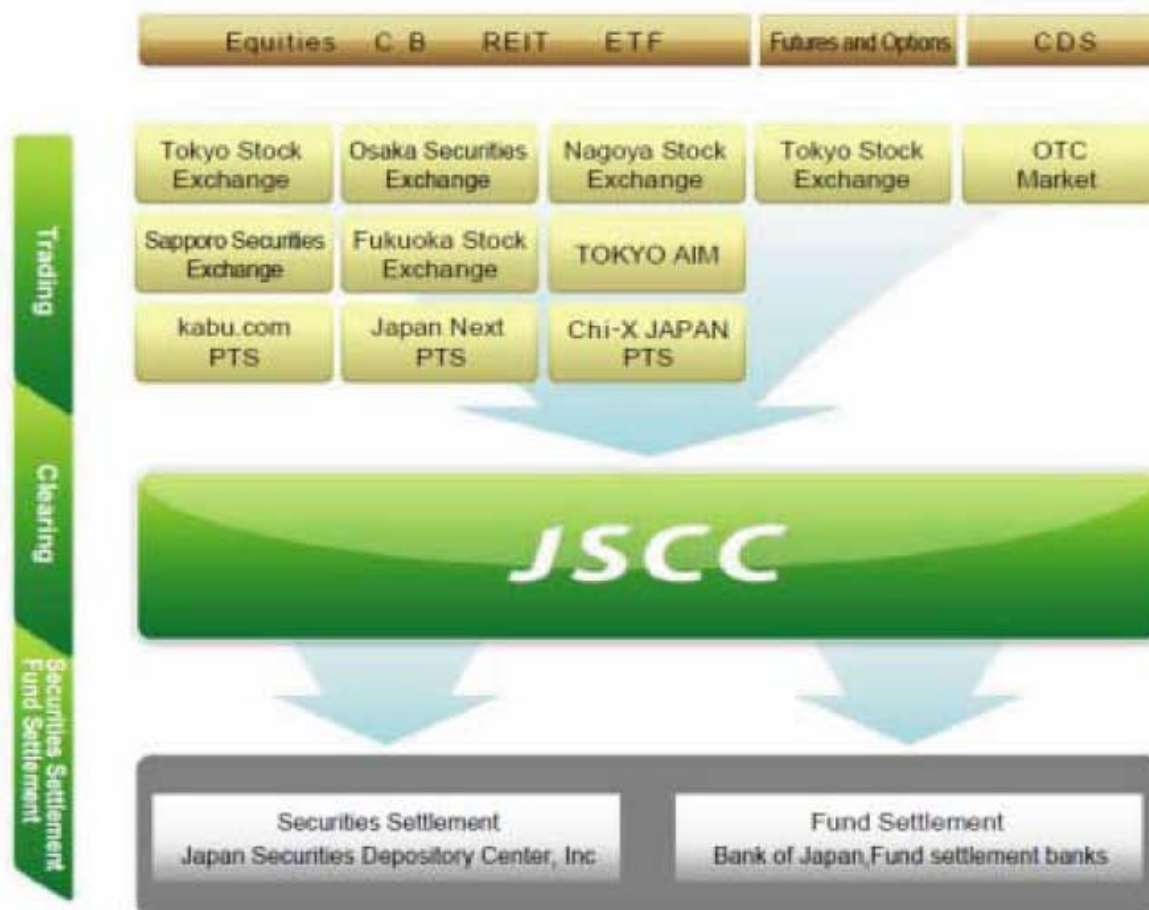
- Established by 5 Japanese Stock Exchanges and Japan Securities Dealers Associations (Jul. 2002)
- Implemented clearing of exchange listed cash transactions in Jan. 2003 and exchange derivative transactions listed on Tokyo Stock Exchange (“TSE”) in Feb. 2004
- Clearing volume (in USD value on average per day for FY2010)
 - Cash products: USD25bil.
 - Exchange listed derivative products: USD 45bil.
- Clearing Participants
 - 152 participants for listed transaction (As of Mar. 2011)
- Capital amount and shareholders
 - Capital amount : JPY 9.25 billion (Capital: JPY 4.85 billion, Capital Reserve: JPY 4.4 billion)
 - Class A share (for listed trade clearing service); TSE (87.7%), OSE (11.5%), other exchanges (0.7%)
 - Class B share (for CDS clearing service); TSE (100%)
- Affiliate CCP; Japan Government Bond Clearing Corporation (“JGBCC”) in which JSCC owns 35.6% of JGBCC’s stake. JGBCC clears OTC trades of JGB and its daily average clearing volume in FY2010 was 940 bil. in USD value.

JSCC's shareholders and affiliate



1. Overview of Japan Securities Clearing Corporation (JSCC)

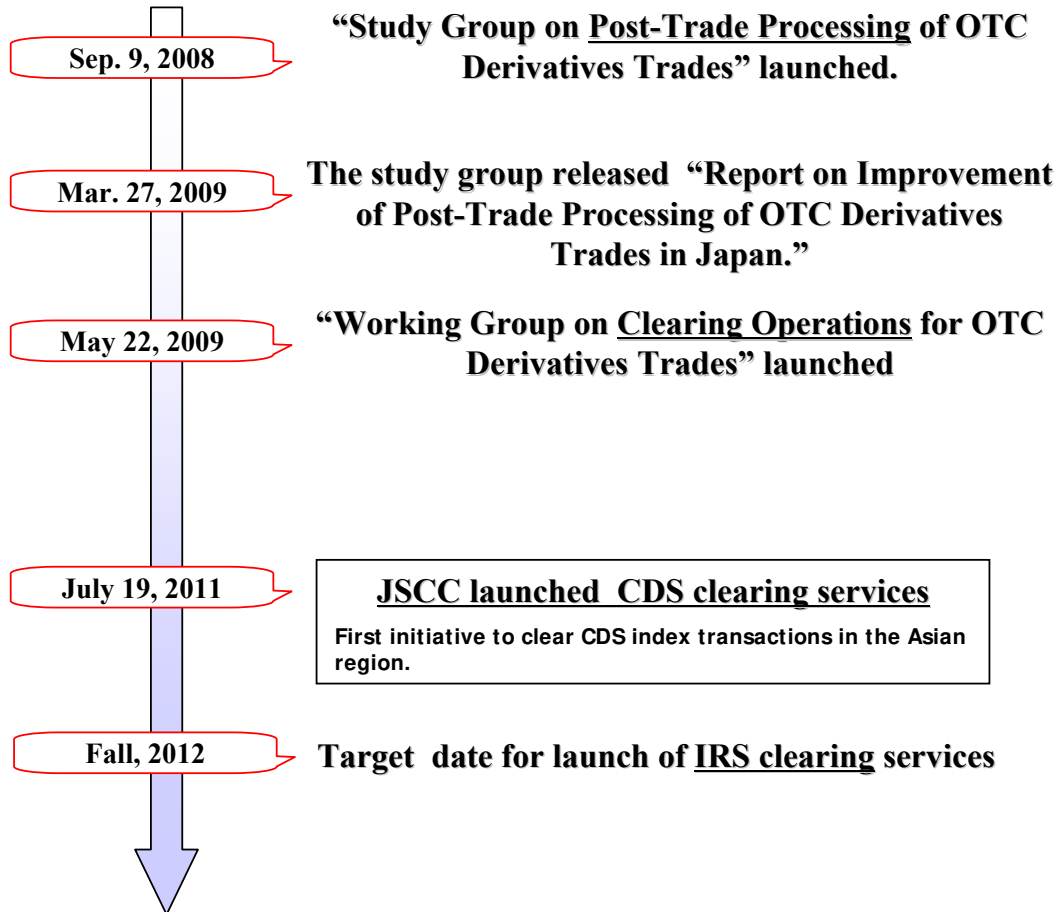
- Service coverage by JSCC



Japan Securities
Clearing Corporation

2. Milestones, Initiatives for OTC Derivatives Clearing

< JSCC >



Sep 2008
Lehman Brothers collapsed

Sep 2009
G20 Pittsburgh Summit

May 2010
Amendment to Financial Instruments and Exchange Act

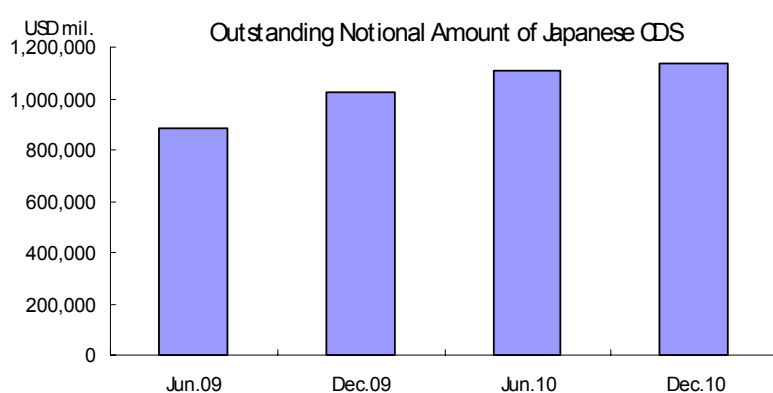
November 2012
Mandatory Clearing

3. Overview of CDS Clearing Service

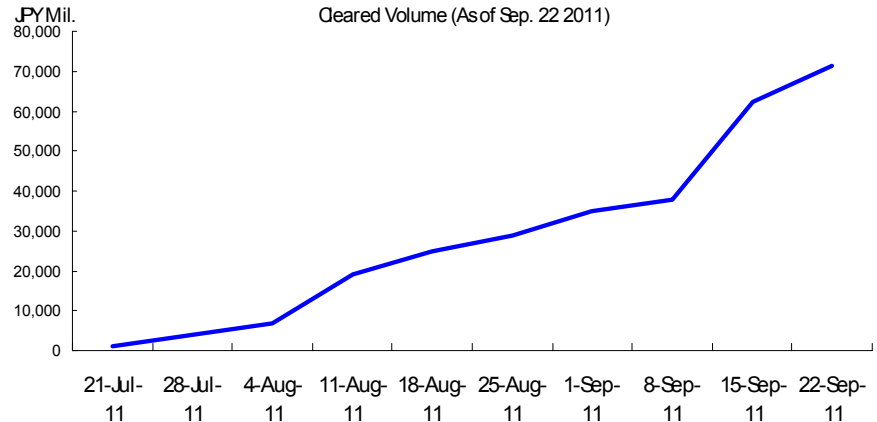
■ CDS index clearing in Japan

Scope of Clearing	iTraxx Japan Series	- The scope will expand to include single name CDS as early as by fall 2012
Clearing Cycle	Weekly	- Risk Monitoring is conducted on a daily basis.
Participants	5 participants (As of Jul.2011)	- More dealers are expected to participate in a timely manner.
Margin	99% ETL	- Also include short charge and bid-offer spread charge, etc.

■ Track record of CDS clearing at JSCC

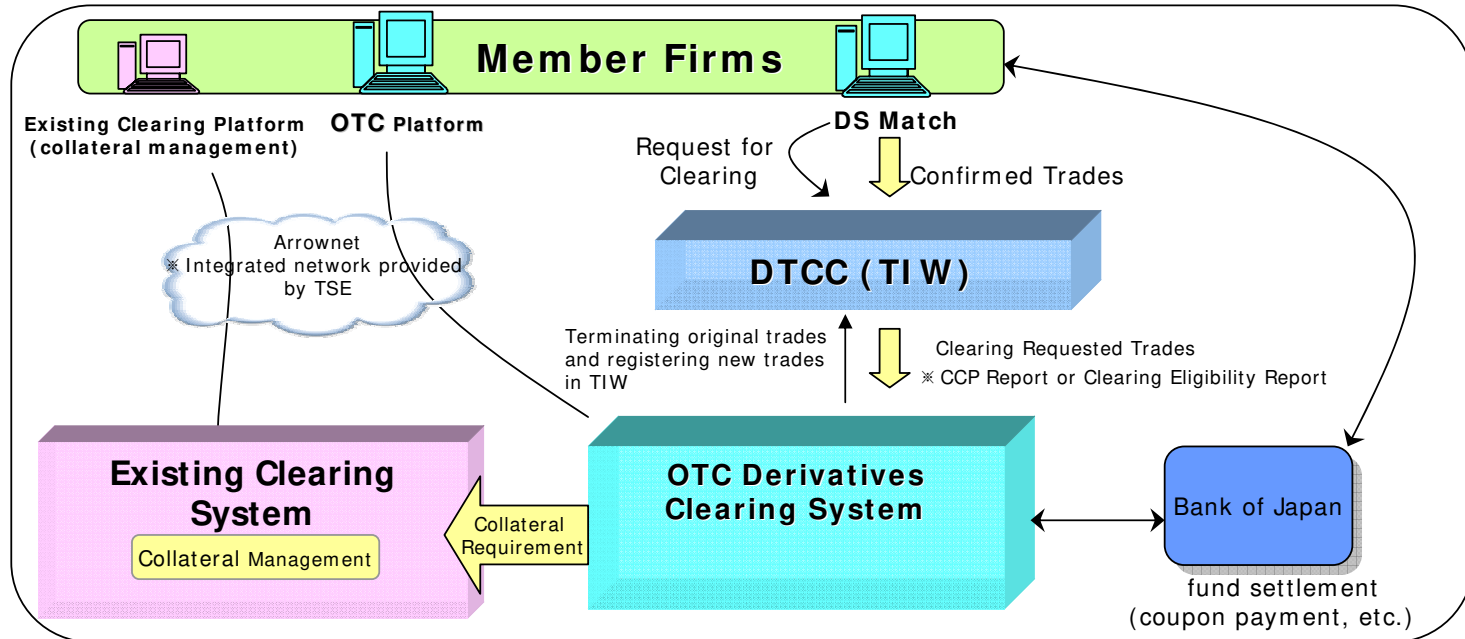


Source: Bank of Japan



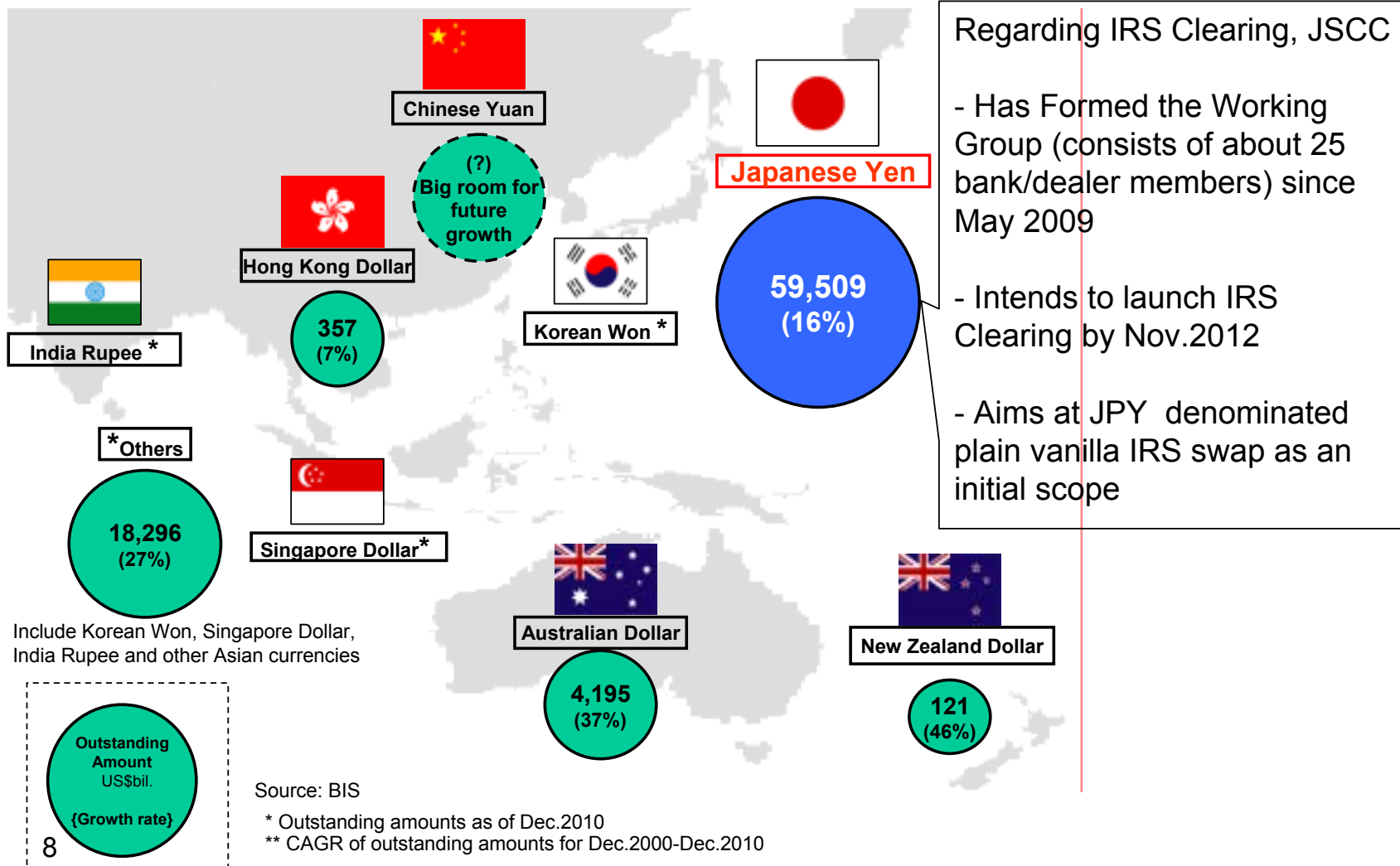
- Total Obligation Assumption Values: JPY 71,284 mil. (As of Sep.22 2011)
 - Total Number of cleared Trades: 51

4. CDS Clearing Workflow



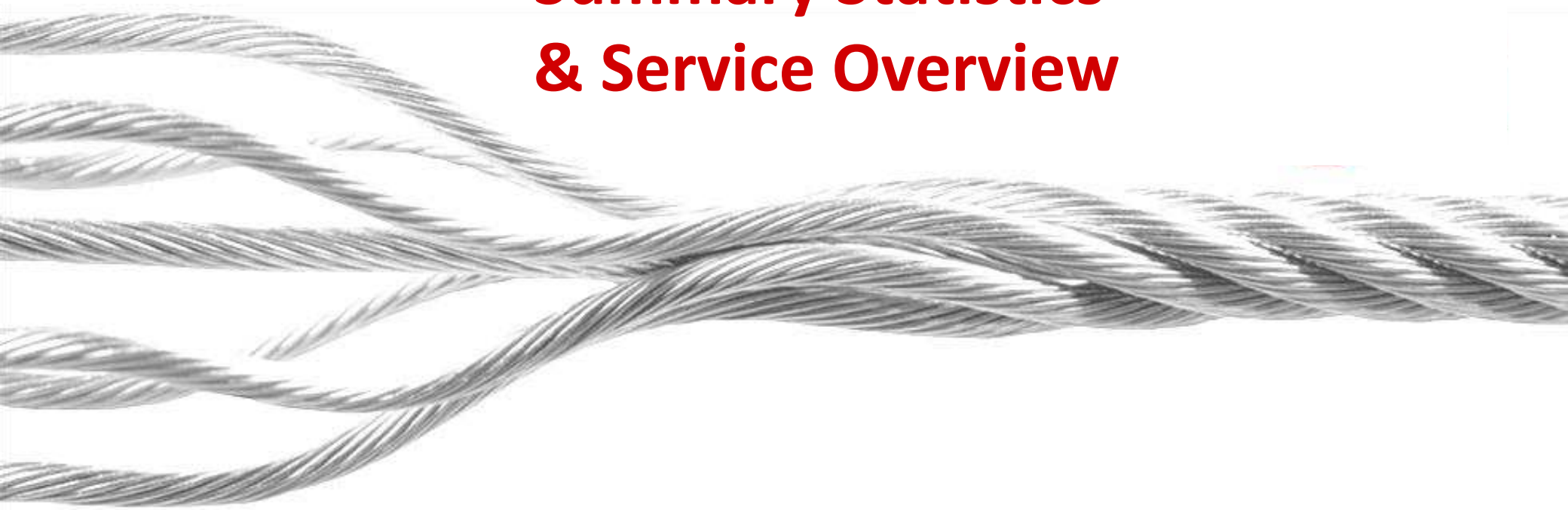
- Member firms request for clearing through DS Match. DTCC sends trades data to JSCC on a daily basis.
- After checking clearing conditions, JSCC will terminate original trades and register new trades (between a member firm and JSCC), without forcing member firms to operate with DTCC.
- JSCC will provide member firms with various data and info related to cleared trades, margin requirement, fund settlement, settlement price, etc. via OTC Platform (web-based).
- Collateral management will be handled in the existing clearing system and platform.
- Fund settlement will take place in Bank of Japan, while cash as collateral in commercial banks in Japan.

5. Overview of the IRS market in the Asia-Pacific Region and JSCC's IRS Clearing Initiatives



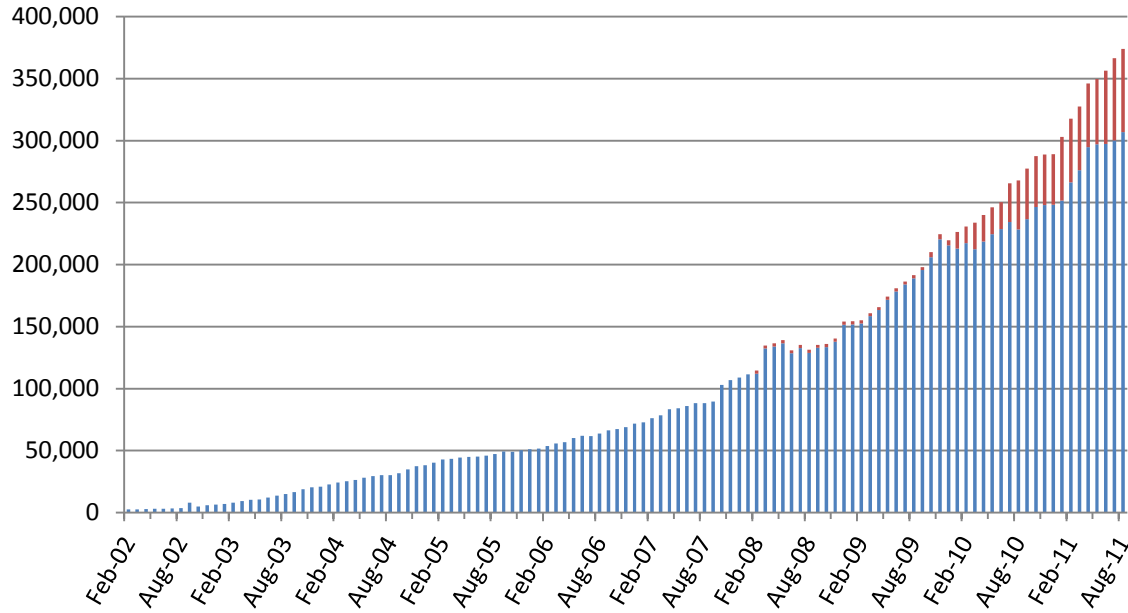
Cleared for Public Release

SwapClear: Summary Statistics & Service Overview



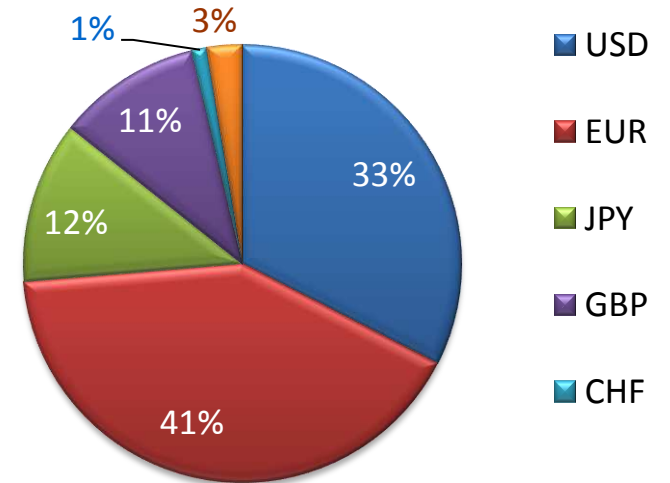
- 1. Service Statistics
- 2. Service Participation & Membership Criteria
- 3. Default Management Process & Experience
- 4. Product Eligibility
- 5. Product & Service Enhancements 2011
- 6. SwapClear Client Clearing Objectives
- 7. ForexClear

SwapClear Notional Outstanding (USD bn)



- SwapClear Notional Outstanding (USD bn sides)
- Cumulative TriReduce Notional Reduction (USD bn sides)

Notional Distribution by Currency



SwapClear Full terminations by Currency since February 2008

Currency	Trade Count (sides)
EUR	279,350
GBP	93,750
JPY	14,638
USD	219,216
Total Sides:	606,954

SwapClear Participation Statistics

- Number of clearing members
- Number of dealers
- Number of members offering client clearing
- Number of live client accounts

31-Aug-11

30-Jun-10

58

28

90

40

36

58

Clearing Member Eligibility

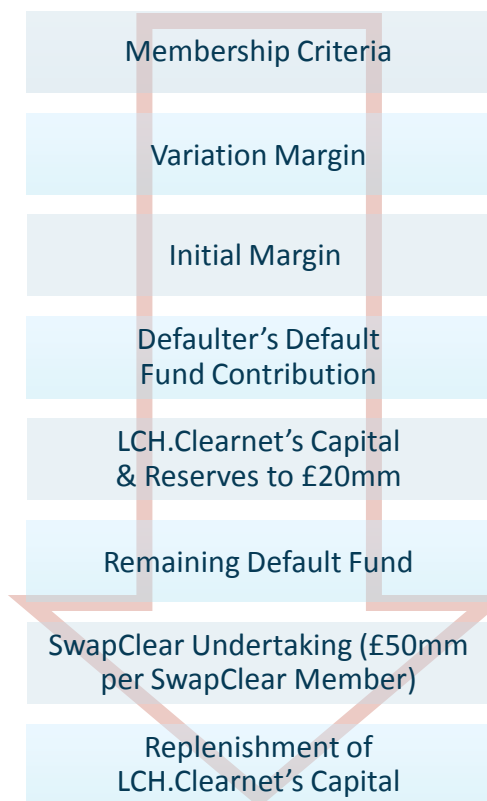
- Membership of SwapClear is based on stringent criteria designed to protect both LCH.Clearnet and other members
- *Only* clearing members may clear trades directly with LCH.Clearnet
- Other firms can benefit from clearing by using an LCH.Clearnet member to access the clearing service

Current Membership Criteria

- All SwapClear members must meet the following minimum criteria of eligibility:
- Swap portfolio - Minimum size \$ 1 trillion
 - Capital - Minimum \$ 5 billion in clearing member or parent providing guarantee (FCM: \$1 billion)
 - Credit rating - Single A or better
 - Margin multipliers - Applied if an existing member is downgraded below A
 - Default management process - Compulsory participation
 - Entry “firedrill” for new members

- SwapClear default managed Lehman's \$9 trillion book (66,390 trades in 5 currencies)
- Only 35% of Lehman's Initial Margin was used across all assets cleared in LCH.Clearnet

Robust default waterfall



Unique Default Management Process: analyse, neutralize, auction



Morning Day 1 - Risk Analysis - Monday Sept. 15 2008

9.15am Lehman's declared in default

9.30am Default management group (DMG) members meet



Days 1 - 3 - Risk Neutralization

DMG Members:

Acted on behalf of LCH.Clearnet

Executed approximately 60 trades

Faced SCMs as trade counterparts

Neutralized the risk within three days



Weeks 1 - 3 - Auction

DMG Members:

Continued trading to further neutralise risk

Auctioned 5 currency portfolios (EUR, USD, GBP, JPY, CHF)

Received aggressive prices

Confirmed trades on a T+1 basis

SwapClear-eligible OTC Interest Rate Derivatives Product Characteristics

Currency	IRS	Up to 50 years	USD, EUR, GBP
		Up to 30 years	JPY, CHF, AUD, CAD, SEK
		Up to 10 years	CZK, DKK, HKD, HUF, NOK, NZD, PLN, SGD, ZAR
	OIS	Up to 2 years	USD, EUR, GBP, CHF
Leg type	IRS	FXD vs FLT, FLT vs FLT, Zero Coupon (FXD and/or FLT), Compounding	
	OIS	FXD vs FLT	
Notional Amount	Denomination	No denominations: users are free to customise contract size	
	Schedule	Constant notional amount	
Fixed Leg	Daycount	30/360, 30E/360, ACT/360, ACT/365.FIXED, ACT/ACT.ISDA, 30E/360.ISDA	
Floating Leg	Index	Market benchmarks: LIBOR (USD, GBP, CHF, JPY...), EURIBOR, BAs, Bills	
	Daycount	As per section 6.2.(f) & (g) of ISDA 2006 Definitions	
Date Structures	Effective Date	Spot start, forward start, broken dated (front or back stub), mismatched	
	Roll Date	Monthly, quarterly, semi-annually, annually, IMM, EOM	
	Adjustments	Modified Following, Following, Preceding business day conventions	
	Centres	All major Financial Centre business day calendars	
Additional Payments		Termination fees and Novation fees	

2011 Deliveries to date

System Enhancements

- Full platform migration (risk management)
 - » Customised extension of 3rd party risk management system
 - » Increased capacity and performance
 - » Enables quicker future product roll out
 - » Enhanced Ops, Risk and Default Management tools
 - » Full end-to-end fire drill (default simulation) completed Jun11

Product Extensions

- New currencies: HUF, CZK and SGD IRS out to 10yrs
- Unadjusted fixed and final period end dates
- Multiple financial calendars for fixings

Service Enhancements

- US FCM Client clearing model
- Extension to include US agency debt & CAD cash as margin collateral
- SMART – SwapClear margin simulator

Tri-Optima Trade Compression

- 2011 YTD TriReduce Notional Reduction (USD sides) - US\$26,530 billion
 - » EUR – 86,262 sides → US\$11,598 billion notional
 - » USD – 114,974 sides → US\$ 12,310 billion notional
 - » GBP – 22,658 sides → US\$1,535 billion notional
 - » JPY – 14,638 sides → US\$1,087 billion notional

Scheduled 2011

Strategic Initiatives

- Membership Criteria and DMPA re-strike (target delivery early 2012)

Product Extensions

- FRAs in 10 currencies (excluding FCM client activity)
- Variable Notional Swaps in USD, EUR, GBP

Risk Management Enhancements

- Further NPV refinements
 - » OIS discounting extended to JPY
 - » Short end curve fitting
 - » OIS discounting methodology

Service Enhancements

- Development of new 'ClearLink' API to enable;
 - » Direct connectivity to multiple SEF and affirmation platforms (initially Bloomberg and Tradeweb) for the purpose of receiving matched dealer-to-client trades
 - » Direct connectivity to FCMs to facilitate the 'Give up' process
- Risk Free Netting for clients clearing via FCMs
- Opening hours extended to 19:00 EST (midnight London)
- Client to Client and Affiliate activity enabled for FCM model

Tri-Optima Trade Compression

- Further 5 runs planned : EUR, USD, GBP, CHF and JPY

International model

Segregation

Client positions and margin must be segregated from House positions and margin. In addition, individual clients must be able to choose to be legally segregated from all other clients of their clearing member (individual segregated account / omnibus net segregated account).

Portability

Client positions and margin must be portable to its choice of SCM to maintain economic performance

Return of Surplus Collateral

Return of surplus collateral to the underlying client and not to the Insolvency Practitioner/Estate of Defaulted SwapClear Clearing Member.

The legal model must be enforceable along every step of the chain and on a cross border basis. LCH currently have approval in relation to UK, Dutch, French, German, Italian, Irish and Swiss SCMs.

US (FCM) model

Segregation & Portability

Customer positions and margin must be segregated from House positions and margin, and be portable en masse to a receiving FCM, selected by the CFTC / Bankruptcy judge / Bankruptcy Trustee, in compliance with the requirements of the Commodity Exchange Act and applicable CFTC Rules

- **Mandated FX products:** likely to be Options, Non Deliverable Forwards and Non Deliverable Options at 5%, 3% and <1% of market notional respectively
- **Liquidity risk in FX settlement:** market solution required prior to Regulatory approval to clear physically settling FX products
- **NDF / NDO markets:** eleven currencies against US \$ cover >85% of notional, with average duration of 30 days
- **NDF risk management :** straightforward. EMTA procedures used as back-up to Central bank fixings, with appropriate multipliers for sovereign default
- **NDO risk management complex:** average daily volumes of \$20bn, likely to be later delivery
- **FX Swaps / Forwards:** unlikely to be mandated. Some market interest to clear driven by anticipated impact of CRD IV

- **Clearing FX Options**
 - **FX Settlement** Herstatt Risk managed by CLS.
 - **Halt risk:** default during the 2 hour CLS settlement cycle. Low probability. Requires netting to mitigate
 - **Liquidity risk:** managed bilaterally. CCP management would require significantly higher cash margin balances or access to Central Bank liquidity
 - Market wide discussions underway
 - **Risk management** biggest challenges
 - Quality of data for valuation
 - Exercise expiry process
 - Market accepted risk management model

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