
Project Clearing Bourse de Luxembourg

Members Presentation

October 9th, 2007

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Structures and Organisations : Cash Market

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Road-map : Project's macro-planning

External testing outskirts

Legal & Membership road map

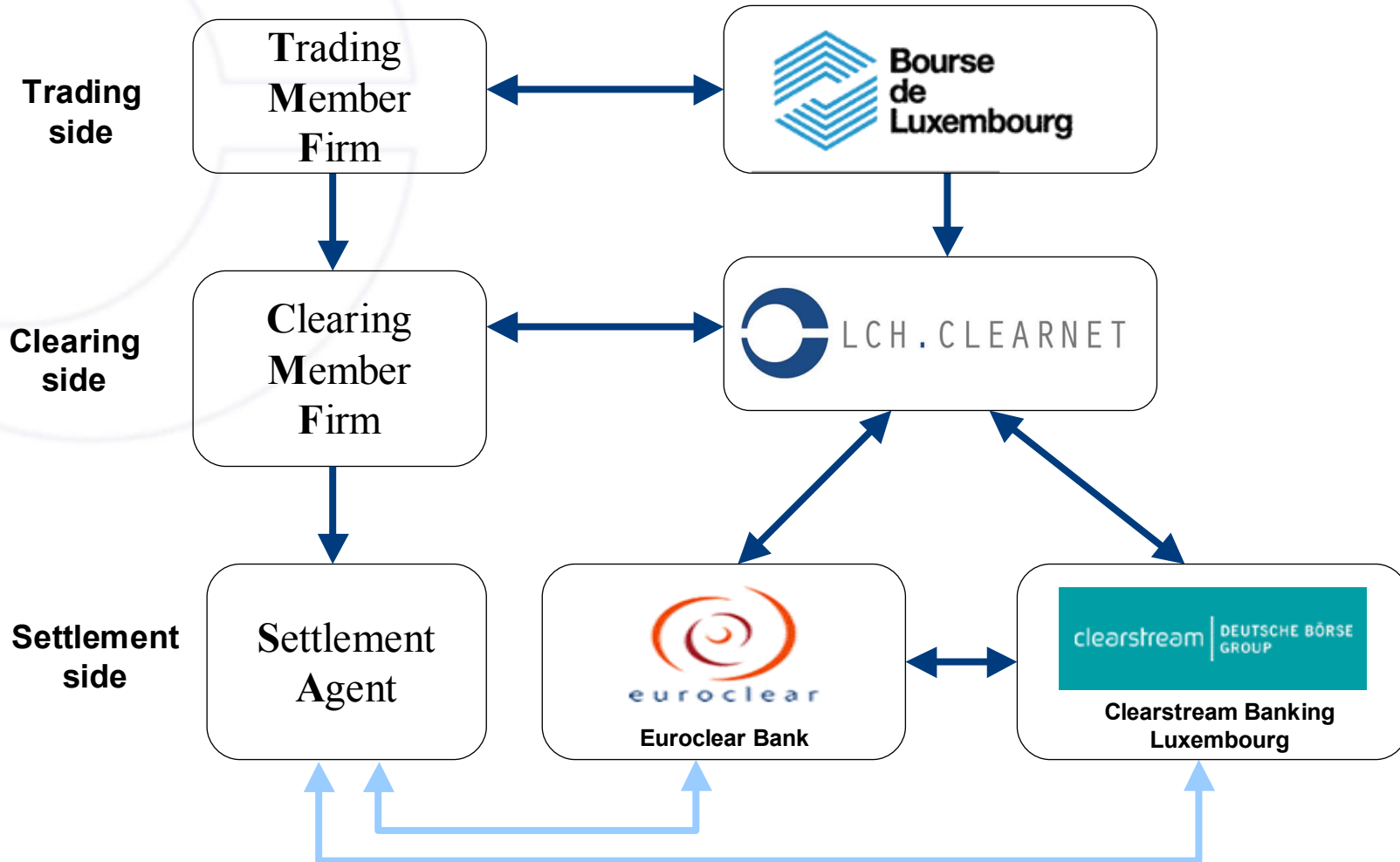
Legal & Membership road map : Clearing Member (Approval and Extension)

Legal & Membership road map : Membership process for TMF

Questions and Answers

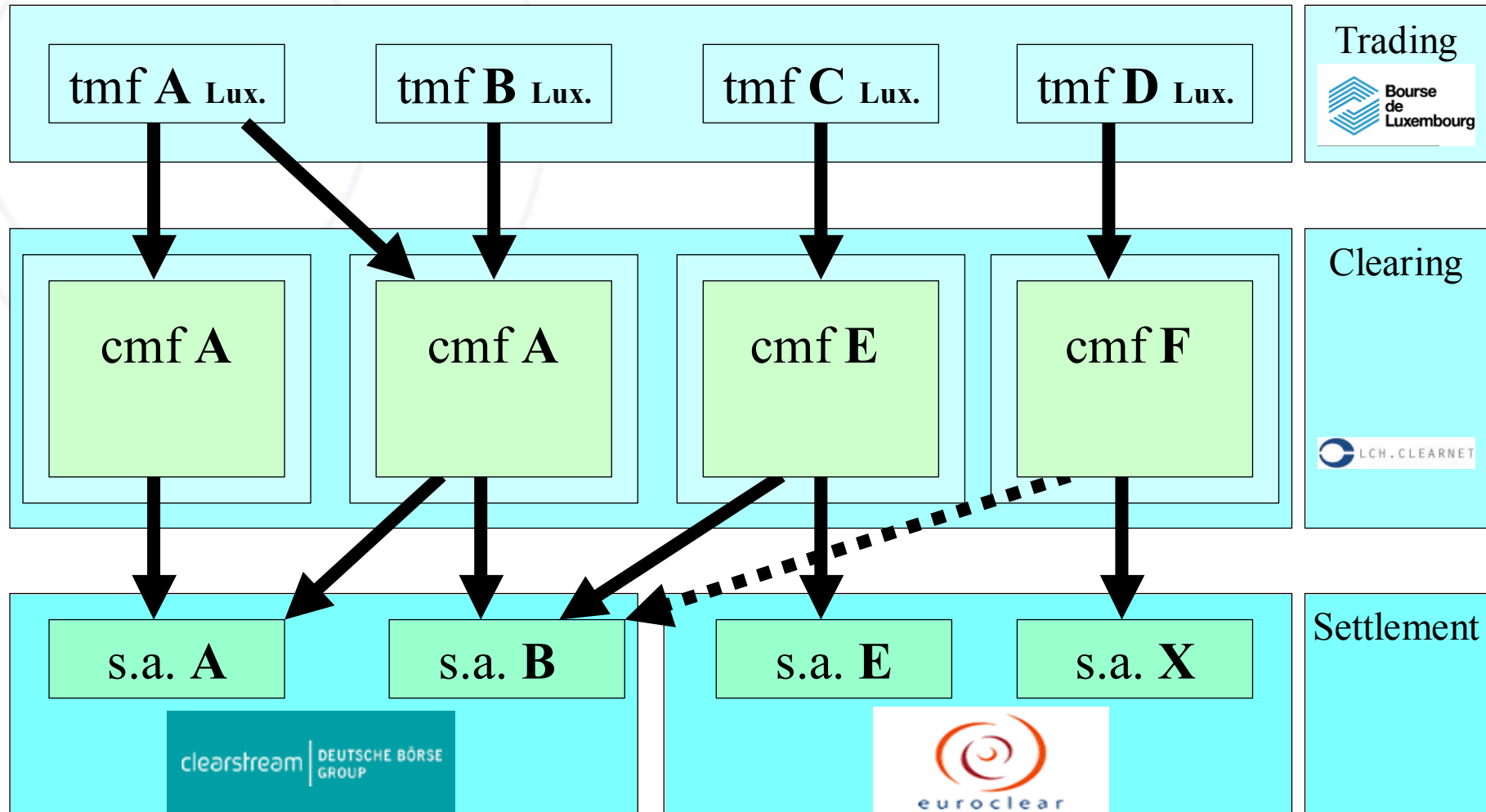
Structures and Organisations

Cash Market



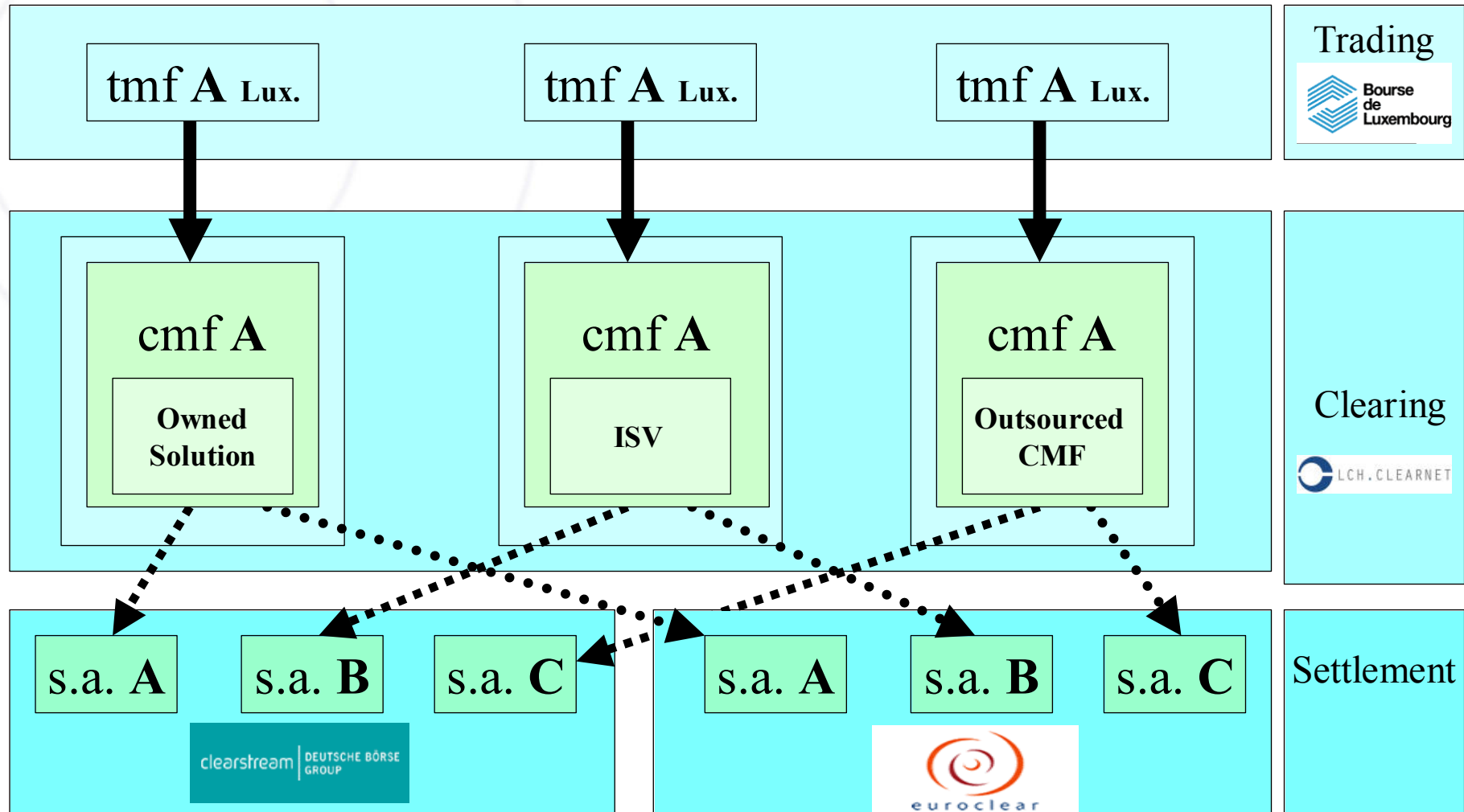
Structures and Organisations

Examples 1/2



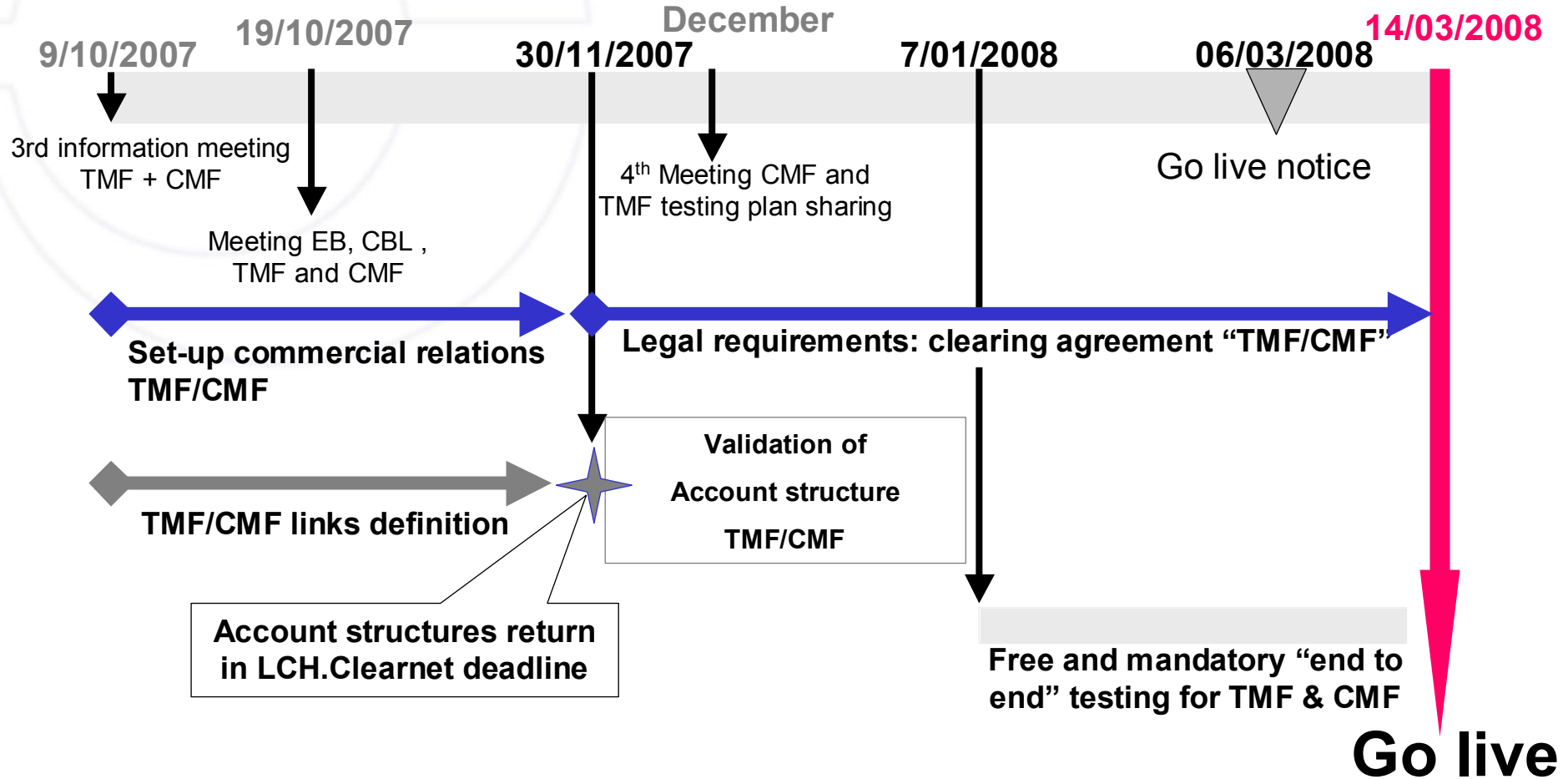
Structures and Organisations

Examples 2/2



Road-Map

Project's Macro-Planning



Members testing outskirts

Work Basis for workshops

- From 7th January to 7th March.
- « End To End » testing.
- Testing is mandatory for all trading and clearing members.
- Readiness will be subjected upon given functional cases.
- Sets of values will be dedicated for buying or selling.
- Bourse de Luxembourg will be counterparty in buying or selling positions.

Legal and Membership road-map

LCH.Clearnet's membership criteria for settlement in Euroclear-Bank and Clearstream Banking Luxembourg

- Have a technical access to Settlement systems.
- Have administrative conditions set up.

Two solutions are possible :

- With a direct access in Clearstream and Euroclear-Bank :
 - For “own account” to provide a Power of Attorney to the attention of LCH.Clearnet SA.
- With an indirect access in Clearstream and Euroclear-Bank :
 - For “third party account”: provide a Settlement Agent agreement covering the market and the corresponding power of attorney to the attention of LCH.Clearnet SA.

Definition:

- ✓ Power of attorney: document authorising LCH.Clearnet to debit & credit CMF's account.
- ✓ Own account: the participant holds an account in the CSD to fulfil its Delivery obligations.
- ✓ Third Party account: the participant does not hold any account, therefore he will use a third party which holds an account in a CSD.

Legal and Membership road-map

Clearing Member (Approval and Extension)



DEFINITION OF THE PARTICIPANTS LIST

REGULATORY SUPERVISION
No request for Comfort Letter

Fill in and dissemination of the configuration elements internally

December
Configuration on the Test platform

Clearing tests on homologation platform

Technical validation

Legal validation of the payment and settlement arrangement

Dissemination of the official notice

14th march

STARTING OPERATIONS

Step 1

Send of a formal letter to LCH Clearnet SA to be on BDL segment

Step 2

Send to LCH Clearnet SA payment and settlement arrangement including account structure

30th November

TECHNICAL CONNECTION

On the Clearing system C21

Step 3

Lift of all disqualifying conditions

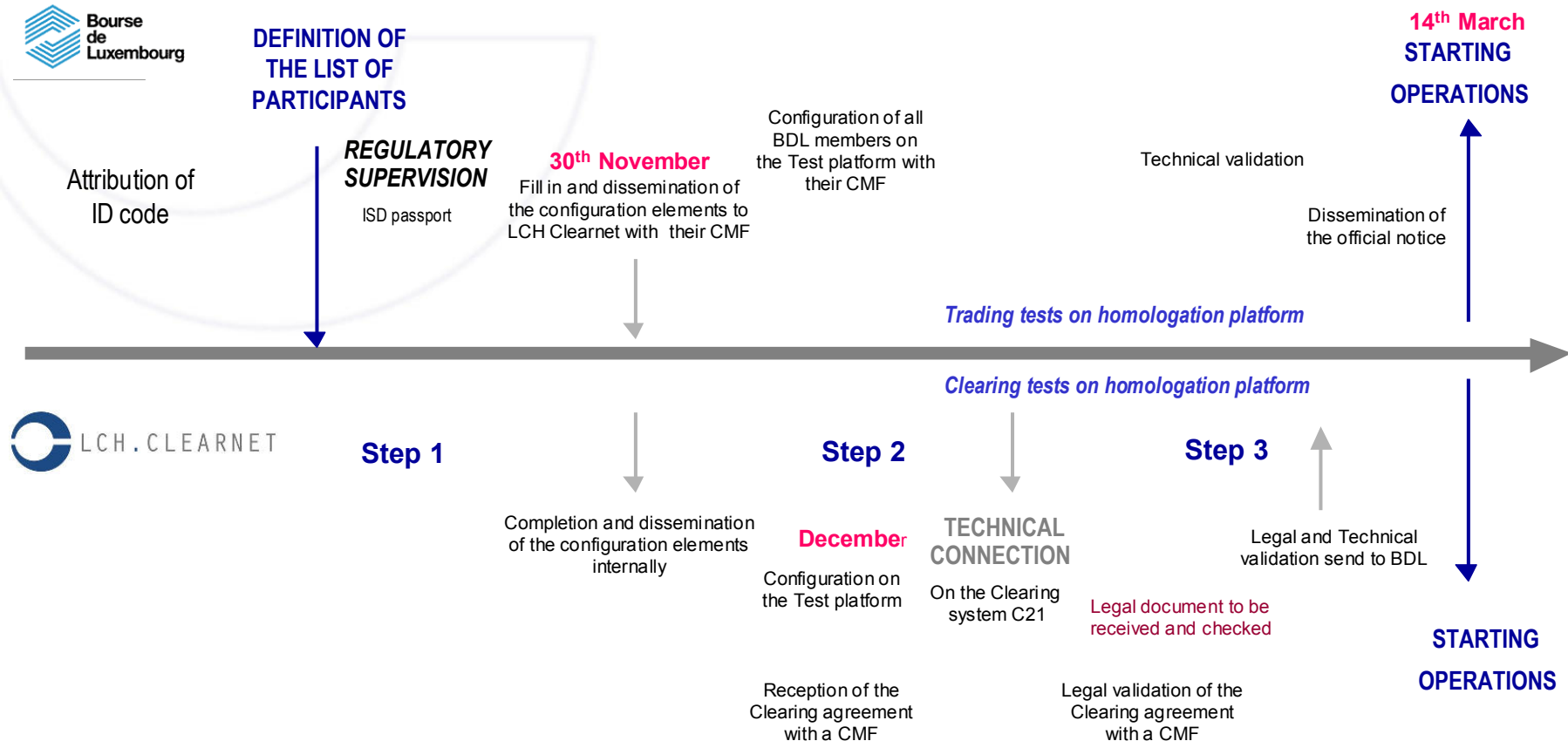
STARTING OPERATIONS

EXISTING CLEARING MEMBERS

Legal and Membership road-map

Membership process for TMF

Set up schedule for existing BdL Trading Members



Next step

- 19th October, meeting with ICSDs, CMFs and TMFs to present and explain functional and technical definitions.
- Member testing phase:
 - November, workshop between Bourse du Luxembourg, LCH.Clearnet and pilot CMFs and TMFs to prepare the testing phase.
 - December, meeting with all CMFs and TMFs to share the testing approach.
- CMFs to send LCH.Clearnet:
 - Letter requesting for membership extension on Luxembourg market.
 - The new account structures.
 - Project's contacts.
 - Volunteer for testing phase workshop.
- Lch.Clearnet to publish the Service Offer in November.

Questions and Answers
