

N06/14

Change to post-trade processing of central counterparty trades settled in CREST – member firm readiness

Introduction

1. Stock Exchange Notice N13/13 outlined a change to the method of post-trade processing of central counterparty (CCP) trades executed on London Stock Exchange's ("the Exchange's") SETS and SETSxq trading services where settlement takes place in Euroclear UK & Ireland's (EUI's) CREST system. The purpose of this Notice is to request that all member firms that directly enter orders in their own Member ID to the Exchange's SETS and SETSxq trading services check that they have made the necessary plans to accommodate the migration effective from start of trading on **Monday 30 June 2014**.
2. This will include, but is not limited to, ensuring that the required setups, as outlined below, have, where appropriate, been correctly communicated to the member firm's General Clearing Member (GCM), CCP and EUI.

Place of Netting

3. Member firms can now opt to have London Stock Exchange trades netted at the CCP or to remain with the existing netting functionality provide by EUI. Those member firms opting for CCP netting should liaise with their GCM or CCP to ensure the appropriate prerequisites and setup are completed.
4. For those member firms who self-settle in CREST, please ensure that your chosen approach to netting is communicated to the GCM or CCP by Friday 20 June 2014.

Enhanced SDRT Assessment Service

5. Member firms opting for CCP netting are required to authorise the CCP to act as the Stamp Data Provider (SDP). The member firm is mandated to setup the CCP as their SDP in CREST and the option to do so, will be available from Monday 23 June 2014, following the release of the new GUI.
6. Please refer to the EUI Operational Bulletin 2014–117 for further information.
7. Member firms are reminded that the Customer Development Service test environment is available to support end to end testing with the CCPs and EUI until Friday 20 June 2014. Also there is a Clearing Arrangements

Market Notice

18 June 2014

Static Data Moratorium for member firms on London Stock Exchange Production for the week prior to 30 June 2014. Please contact the Client Implementation Team (cteam-r@lseg.com, 020 7797 3232) if you wish to discuss further.

8. Please also note the following contacts if there are any queries relating to CCP netting or the Enhanced SDRT Assessment Service;

| | | |
|----------------|------------------------|----------------------|
| Ian Mackenzie | LCH.Clearnet | + 44 (0)20 7426 7265 |
| Chris La Conti | SIX x-clear | + 41 58 399 4341 |
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9. Any further questions relating to the change of London Stock Exchange service please email clients@lseg.com

Denzil Jenkins
Head of UK Compliance & Group Regulatory Policy

This Stock Exchange Notice will be available on the website at
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable London Stock Exchange to carry out its regulatory responsibilities