

## (II) FINANCE PROCEDURES

### INDEX

1.	General.....	2
2.	Cash collateral.....	4
3.	Triparty Collateral.....	4
4.	Assured Payment System: Accounts.....	8
5.	Assured Payment System: Procedures.....	11
6.	Payments To And From The Clearing House.....	13
7.	Custody Accounts.....	20
8.	Permitted Cover: Securities.....	21
9.	Intentionally Omitted.....	22
10.	Permitted Cover: Gold Bullion.....	22
11.	Settlement Procedures For Non-Cash Collateral.....	24
12.	Intentionally omitted.....	26
13.	Risk Management.....	26
14.	Guaranty Fund Parameters And Restrictions.....	28
15.	Clearing House Contributions.....	29

~~8 November 2019~~ 19 March 2020

or standing instructions to result in a Clearing Member holding any positions below applicable Margin and Guaranty Fund Contribution requirements.

All cash instructions should be instructed before:

Currency	Instruction deadline
GBP	Same day 10.00 a.m.
EUR	Same day 10.00 a.m.
USD	Same day <del>16:45</del> <u>11:45</u> a.m. ( <u>Eastern time</u> )

- (f) No withdrawal will be possible after these deadlines. Clearing Members are able to enter cash deposits for value next day. These requests need to be entered and approved by Clearing Members prior to end of day, but will only be accepted by the Clearing House on the following morning. Following acceptance by the Clearing House, the changes will take effect immediately. The Clearing House may require any Clearing Member to reduce excess cash on account with the Clearing House or may specify that excess cash on account above a certain threshold does not receive interest.
- (g) Overnight payments must be made to the Clearing House at or before 09:00 on the morning following a call. *Ad hoc* payments must be made within one hour of an instruction being issued by the Clearing House through ECS. In relation to overnight pending transactions, any withdrawals or deposits instructed after the relevant deadline will be rejected by ECS.
- (h) The Clearing House will not provide Clearing Members with any specific notifications or confirmations after the execution of a cash movement. Clearing Members may instead find details of all instructions in daily and other reports available through the ECS graphical user interface (“GUI”). After execution, the status of an instruction within ECS will change from ‘pending’ to ‘processed’.
- (i) The following sub-paragraphs describe the various payments that may be included in any cash transfer:
- (i) *Variation Margin (for F&O Contracts), Mark-to-Market Margin (for CDS Contracts) and FX Mark-to-Market Margin (for FX Contracts)*

Daily Calls: Pursuant to Rule 503, all Contracts will be revalued and subject to Variation Margin, Mark-to-Market Margin or FX Mark-to-Market Margin calls on a daily basis for settlement next day for payments in JPY or same day for payments in other currencies in accordance with Table 1. Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin requirements are calculated and settled only in cash. Adjustments will be calculated and payments will ordinarily be executed in the currency of the relevant Contracts (or underlying Contracts). Liabilities resulting from Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin requirements will be included in the overnight call or return.

Intra-day Calls: Contracts may also be marked to market and subject to an additional Initial Margin, Original Margin or FX Original Margin call (the proceeds of which may be applied against future Variation Margin, Mark-to-Market Margin or FX Mark-to-Market Margin calls) on an *ad hoc* intra-day basis. Affected Clearing Members will be informed (not in writing) by the Clearing House in the event of an intra-day call being applicable. If the call affects a significant number of Clearing Members, the Clearing House will issue a Circular. Intra-day calls will be executed