



31 OCTOBER 2023

BASEL III REPORTING

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| To the attention of: | Clearing Members on Euronext Equity Section |
| Priority: | High |
| Topic: | Disclosure of Basel III parameters |

Dear Client,

In accordance with Regulation (EU) No 575/2013 (CRR) and subsequent amendments Euronext Clearing is mandated to publish information regarding Capital Requirements to Clearing Members and their supervisory authorities.

“Basel III parameters” are disclosed by the CCP separately per each Default Fund and shall be used by Clearing Members to calculate capital requirement against Default Fund exposure under the SA-CRR (Standardised approach for measuring counterparty credit risk exposures).

For this purpose, Euronext Clearing will make available such parameters to all Clearing Members active on the **Euronext Equity Section** by the end of November 2023. We remind members that the reference Default Fund will cover **Euronext Equity Section, BITA Shares Section and BITA Equity Derivatives Section (IDEM)**.

As reported in the *Euronext Clearing Interfaces overview and Reporting Specifications* available on [Connect](#), data will be disclosed on a monthly basis through a dedicated Report (**DB01**) via *Web Clearing Station (WCS)*, within 5 days from the end of each month.

In detail, the following parameters will be disclosed:

- **K_{CCP}**: Hypothetical Capital of the CCP (expressing CCP exposure to Futures and Options):
- **DF_{CM}**: Sum of clearing members’ pre-funded default fund contribution (total Default Fund)

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- **DF_{CCP}**: Total amount of the CCP's own pre-funded financial resources that it is required to use to cover its losses following the default of one or more of its clearing members before using the default fund contributions of the remaining clearing members (Skin in the Game)
- **Capital-factor (c-factor)**: Clearing Members shall apply this percentage¹ to their pre-funded Default Fund contribution in order to calculate their capital requirement.

Please note that following the completion of the migration² of clearing flows related to Euronext Financial Derivatives and Commodities Derivatives, the Report DB01 will be addressed to all Clearing Members active in these Sections, which will be guaranteed by the same Default Fund.

For further information please contact:

Euronext Clearing Risk Policy

CCP-rp.group@euronext.com

¹ C-factor= $\max\{0.16\% ; K_{CCP}/(DF_{CM}+DF_{CCP})\}$

² Migration expected in June – July 2024, subject to the declaration of non-objection of relevant regulators