
CC&G Risk Notice

11th October 2019
MN_12/2019

Margin Model Enhancement: Bond and ICSDs Bond Sections

For the attention of: Bond and ICSDs Bond Sections GCM and ICM

Priority: Medium

Topic: Margin Methodology

Dear Client,

We hereby inform You that CC&G is working on the introduction of a new VaR-like margin model related to the Bond and ICSDs Bond Sections.

The new methodology, at a first stage, will apply to Government Bonds issued by Italy, Spain, Ireland and Portugal traded on MTS Cash EBM, MTS Repo, MOT, EuroTLX, Hi-MTF and Nex BrokerTec.

Current methodology (MVP) applied to Corporate Bonds, as well as Government Bonds issued by countries other than those mentioned above, will remain unchanged at a first stage.

The new methodology will enter into force during the next year, subject to validation and approval processes in accordance with EMIR.

A general presentation on the new margin model and further updates on new Risk Manuals, Reports and Data Files as well as a detailed project timeline, including test phase will follow.



London
Stock Exchange Group

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