



caceis
INVESTOR SERVICES



CACEIS Bank, and its branches

Disclosure Guideline for Central Counterparty Clearing

Disclosure pursuant to EMIR, RTS 6 and Indirect Clearing RTS

JANUARY 2024



CLEARING MEMBER DISCLOSURE DOCUMENT

Introduction

Throughout this document references to “we”, “our” and “us” are references to the clearing broker. References to “you” and “your” are references to the client.

What is the purpose of this document?

As a clearing member providing services to you that involve us clearing derivatives transactions and cash securities transactions (“**Transactions**”) through an EU central counterparty (“**CCP**”), we must comply with regulation under Regulation (EU) No 648/2012 (known as the European Markets Infrastructure Regulation – “**EMIR**”), with Article 27 (1) and (2) of Commission Delegated Regulation (EU) of 19th July 2016 (“**RTS 6**”) supplementing Directive 2014/65/EU (“**MiFID II**”) and Article 4 and 5 of Commission Delegated Regulation (EU) No 2017/2154 supplementing Regulation (EU) No 600/2014 with regard to regulatory technical standards on indirect clearing arrangements, and Commission Delegated Regulation (EU) No 2017/2155 amending Commission Delegated Regulation (EU) No 149/2013 with regard to regulatory technical standards on indirect clearing arrangements (“**Indirect Clearing RTS**”). To enable us to comply with our obligations, we must:

- offer you a choice of an individual client account or an omnibus client account (as discussed under “*The types of account available*” in Part One B below);
- publicly disclose the levels of protection and costs associated with different levels of segregation;
- provide information on the different levels of segregation including a description of the main legal effects of the respective levels of segregation offered and on the insolvency law applicable
- Publish the conditions under which it offers its clearing services.
- EMIR, MiFID II and its supplementing RTS 6 and the Indirect Clearing RTS shall hereinafter be denominated together as “the EU-Requirements”.



Organisation of this document

This document is set out as follows:

- Part One A provides some background to clearing.
- Part One B gives information about the difference between the individual client account and the omnibus client account, the basic omnibus indirect client account and the gross omnibus indirect client account, explains how this impacts on the clearing of your derivatives and sets out some of the other factors that might affect the level of protection you receive in respect of assets provided to us as margin.
- Part One C sets out some of the main insolvency considerations
- Part Two provides an overview of the main variations on the different levels of segregation that the CCPs offer, together with an explanation of the main implications of each
- Part Three provides general information reg. the conditions for Clearing Services
 - Part Three A sets out the conditions for Cash Clearing Services
- Part Three B sets out the conditions for Listed Derivatives Clearing Services
- Part Four provides the links to web pages of selected CCPs where Disclosure Documents can be found. For the position relating to any particular CCP you should refer to the disclosure and any other information prepared by the CCP.

What are you required to do?

You must review the information provided in this document and the relevant CCP disclosures and confirm to us in writing which account type you would like us to maintain with respect to each CCP on which we clear Transactions for you from time to time and whether you agree with the way in which we propose to deal with any excess margin we may hold in relation to an individual client account.. If you do not confirm within the requested timeframe, we will not be in compliance with our obligations under the EU-Requirements, which is not a position we can continue with indefinitely. In the meantime, we will continue to clear your Transactions, either using the existing account structure or an omnibus client account, as this is the most similar of the new account types to the existing account structure.

Where we offer to facilitate indirect clearing services, you will also need to confirm to us whether you intend to provide clearing services through us to your clients and inform us of your clients' choice of indirect client accounts.

Important

Whilst this document will be helpful to you when making this decision, this document does not constitute legal or any other form of advice and must not be relied on as such. This document provides a high level analysis of several complex and/or new areas of law, whose effect will vary depending on the specific facts of any particular case, some of which have not been tested in the courts. It does not provide all the information you may need to make your decision on which account type or level of segregation is suitable for you. It is your responsibility to review and conduct your own due diligence on the relevant rules, legal documentation and any other information provided to you on each of our client account offerings and those of the various CCPs on which we clear derivatives for you. You may wish to appoint your own professional advisors to assist you with this.



We shall not in any circumstances be liable, whether in contract, tort, and breach of statutory duty or otherwise for any losses or damages that may be suffered as a result of using this document. Such losses or damages include (a) any loss of profit or revenue, damage to reputation or loss of any contract or other business opportunity or goodwill and (b) any indirect loss or consequential loss. No responsibility or liability is accepted for any differences of interpretation of legislative provisions and related guidance on which it is based. This paragraph does not extend to an exclusion of liability for, or remedy in respect of, fraudulent misrepresentation.

Please note that this disclosure has been prepared on the basis of French law save as otherwise stated. However, issues under other laws may be relevant to your due diligence. For example, the law governing the CCP rules or related agreements; the law governing our insolvency; the law of the jurisdiction of incorporation of the CCP; and the law of the location of any assets.

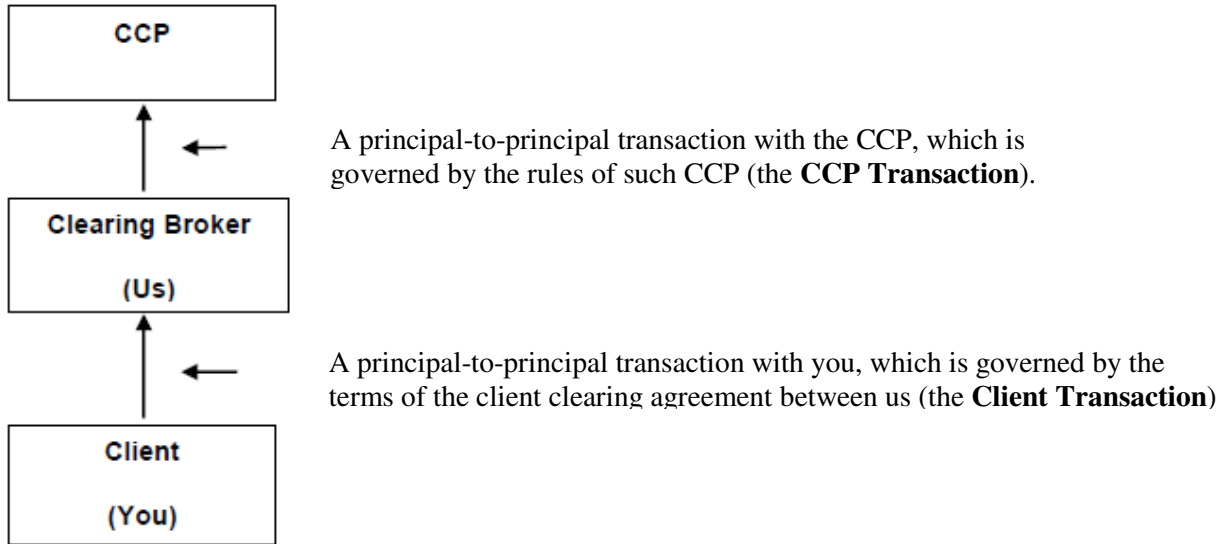


Part One A: A brief background to clearing

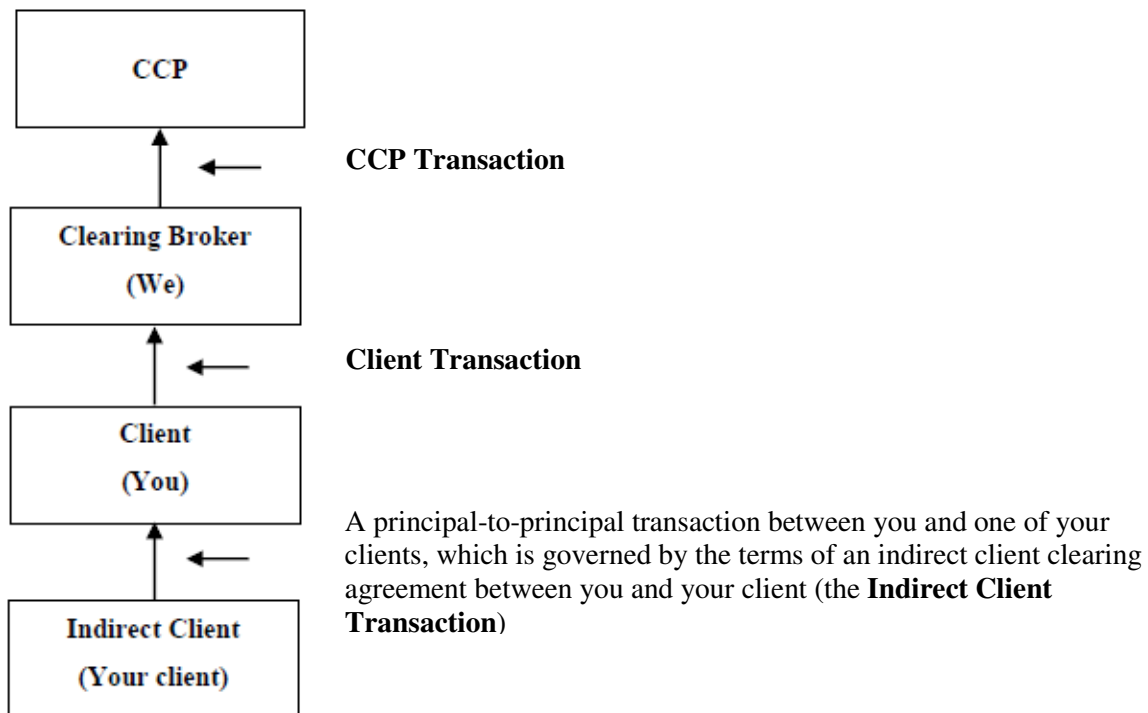
The market distinguishes two main types of clearing models: the “agency” model and the “principal-to-principal” model. Most of the CCPs we use adopt the “principal-to-principal” model, and this document assumes all transactions are cleared according to this model

The “principal-to-principal” clearing model

When clearing transactions for you through a CCP, we usually enter into two separate transactions:

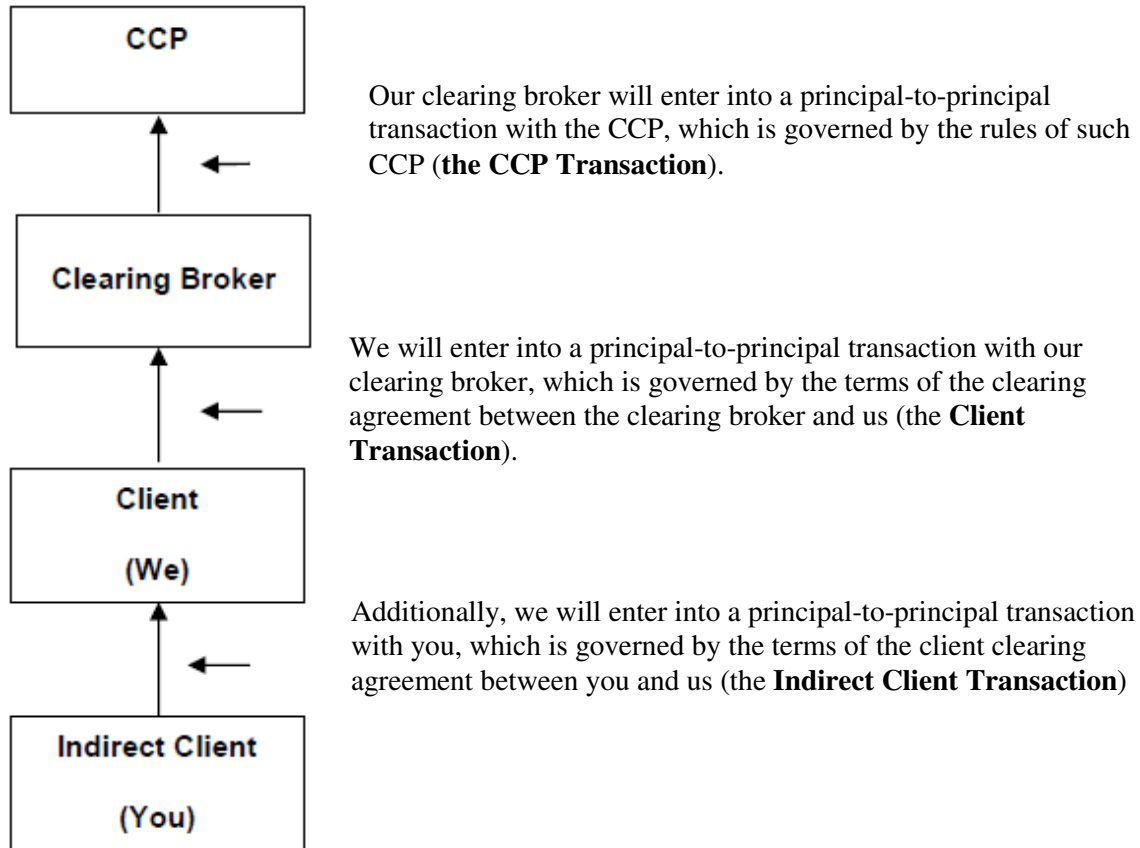


Where we facilitate indirect clearing services, i.e. facilitate the clearing by you through us of positions for your own clients, you may enter into a third principal-to-principal transaction with one of your clients:





When clearing transactions for you through a clearing broker, we usually enter into two separate transactions. Additionally, our clearing broker will enter into a third transaction directly with the CCP.



What happens if we are declared to be in default by a CCP?

If we are declared to be in default by a CCP, there are two possibilities with respect to the CCP Transactions and assets related to you and, where applicable, your clients:

- with respect to Individual Client Accounts, Omnibus Client Accounts and Gross Omnibus Indirect Client Accounts (and, in certain circumstances, Basic Omnibus Indirect Client Accounts), the CCP will, at your request, try to transfer (**port**) to another clearing broker (a **back-up clearing broker**), such CCP Transactions and assets; or,
- if porting cannot be achieved with respect to such accounts and ordinarily with respect to Basic Omnibus Indirect Client Accounts, the CCP will terminate the CCP Transactions that relate to you (see *"What happens if porting is not achieved"* below).

The porting process will differ depending on the CCP but it is likely to involve a close-out (with us) and a re-establishment (with the back-up clearing broker) of the CCP Transactions or a transfer of the open CCP Transactions and related assets from us to the back-up clearing broker. In some cases CCPs will support this structure legally by requiring us to grant a security interest to you over some or all of our related rights against the CCP (the security interest) but in other cases where CCPs can rely on the EU-Requirements and local legislation, this is not necessary.



Will the CCP Transactions and assets relating to you be automatically ported to a back-up clearing broker?

No, there will be a number of conditions which must be satisfied before the CCP Transactions and assets that relate to you can be ported to a back-up clearing broker. These conditions will be set by the CCPs and will include obtaining your consent. In all cases you will need to have a back-up clearing broker that has agreed to accept the CCP Transactions. You may wish to appoint a back-up clearing broker upfront as part of your clearing arrangements but the back-up clearing broker is unlikely to be able to confirm that it is willing to accept the CCP Transactions until the default occurs. The back-up clearing broker may also have conditions that they require you to meet. You may also be able to agree with the CCP that it may choose a back-up clearing broker on your behalf. If you have not appointed a back-up clearing broker prior to our default, or agreed with the CCP that it may appoint one on your behalf, then this may mean that porting is less likely to occur.

If porting is achieved, your Client Transactions with us will terminate in accordance with our client clearing agreement, but we would expect that any Indirect Client Transactions between you and your clients would be unaffected. We would expect your back-up clearing broker to put in place new client transactions between itself and you.

The type of account and level of segregation you choose will have an impact on the ability to port CCP Transactions and assets to a back-up clearing broker upon our default.

With regard to a Basic Omnibus Indirect Client Account (described in more detail in Part One B), no contractual arrangements will be in place for porting and, therefore, porting will ordinarily not be available. If you choose an Omnibus Client Account (described in more detail in Part One B), in most cases, all of our clients who have CCP Transactions and assets relating to them recorded in the same Omnibus Client Account will have to agree to use the same back-up clearing broker, and the back-up clearing broker will have to agree to accept all of the CCP Transactions and assets recorded in that Omnibus Client Account. It is therefore likely to be difficult to achieve porting in relation to an Omnibus Client Account compared to an Individual Client Account (described in more detail in Part One B).

What happens if porting is not achieved?

Each CCP is permitted to specify a period of time after which, if it has not been able to achieve porting, it will be permitted to actively manage its risks in relation to the CCP Transactions. This period of time will vary across CCPs. If you want to port your CCP Transactions, you will need to notify the CCP and show that you can satisfy the other conditions within this period.

Otherwise, the CCP will terminate the CCP Transactions and perform a close-out calculation in respect of them in accordance with the CCP rules. If there is an amount owed by the CCP in respect of the CCP Transactions, to the extent that the CCP knows your identity and how much of that amount relates to you, the CCP may pay such amount directly to you. If the CCP does not know your identity and/or does not know how much of the amount relates to you, the CCP will pay it to us (or our insolvency practitioner) for the account of our clients.

It is more likely that a CCP will be able to pay any such amount directly to you if you select an Individual Client Account (described in more detail in Part One B). This is because your identity will typically be disclosed to the CCP in this case.

If the CCP terminates the CCP Transactions, then the Client Transactions between us are also likely to terminate. The termination calculations in respect of those Client Transactions will be performed in accordance with the client clearing agreement between us and such calculations will likely mirror those performed by the CCP in respect of the CCP Transactions. If you are due a payment from us as a result



of the close-out calculations in respect of our Client Transactions, the amount due from us to you will be reduced by any amount that you receive (or are deemed to receive) directly from the CCP.

Please see Part One C for a consideration of the main insolvency considerations.

Part One B: Your choice of account type and the factors to consider

First of all, we would like to remind that irrespectively of the choice of account used for clearing of Transactions as a matter of principle the Bank records Transactions and related assets for each client separately in its internal records.

The types of account available

Reference to accounts here means the accounts in the books and records of each CCP. The CCP uses these accounts to record the CCP Transactions that we enter into in connection with the clearing of your related Client Transactions and any related Indirect Client Transactions and the assets that we provide to the CCP in respect of such CCP Transactions.

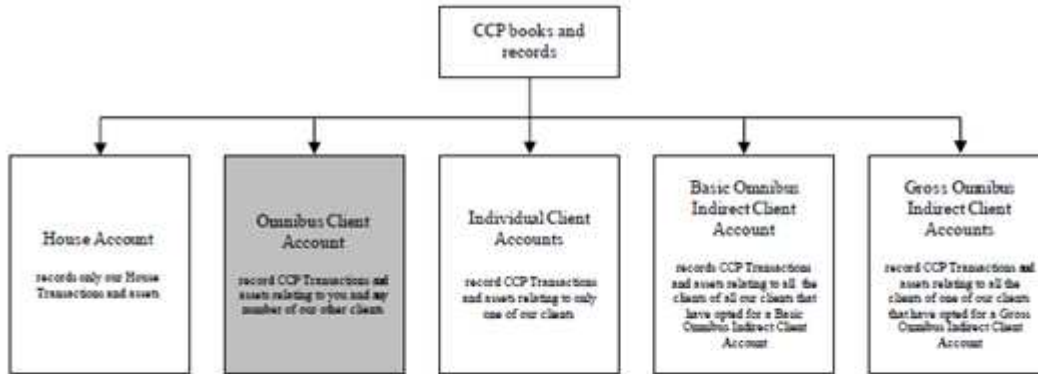
There are two basic types of client account available – Omnibus Client Accounts and Individual Client Accounts. Some of the CCPs then offer different levels of segregation within those as described in Part Two of this document. Additionally, there are two basic types of indirect client accounts available at the CCP level – the Basic Omnibus Indirect Client Accounts and Gross Omnibus Indirect Client Accounts.

Omnibus Client Account

Under this account type, the CCP Transactions and assets that relate to them in the CCP's accounts are segregated from:

- any CCP Transactions we are clearing for our own account (our House Transactions) (including corresponding assets in the CCP's accounts) at the CCP;
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to any of our other clients that have opted for an Individual Client Account; and
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to your clients and any clients of our other clients (regardless of whether they have opted for a Basic Omnibus Indirect Client Account or a Gross Omnibus Indirect Client Account).

However, the CCP Transactions and assets that relate to you will be commingled with the CCP Transactions and assets relating to any of our other clients that are recorded in the same Omnibus Client Account.



Can CCP Transactions and related collateral be netted with our House Transactions and assets?	No
Can CCP Transactions and related assets be netted with those relating to our other clients?	Yes (provided the other clients' CCP Transactions and assets are recorded in the same Omnibus Client Account)
Can CCP Transactions and related collateral be netted with those relating to your clients?	No
Can CCP Transactions and related collateral be netted with those relating to clients of our other clients?	No

The CCP will not net the CCP Transactions relating to you with our House Transactions or any CCP Transactions not recorded in the same Omnibus Client Account, nor use the assets relating to such CCP Transactions with respect to any House Transaction or CCP Transaction recorded in any other account.

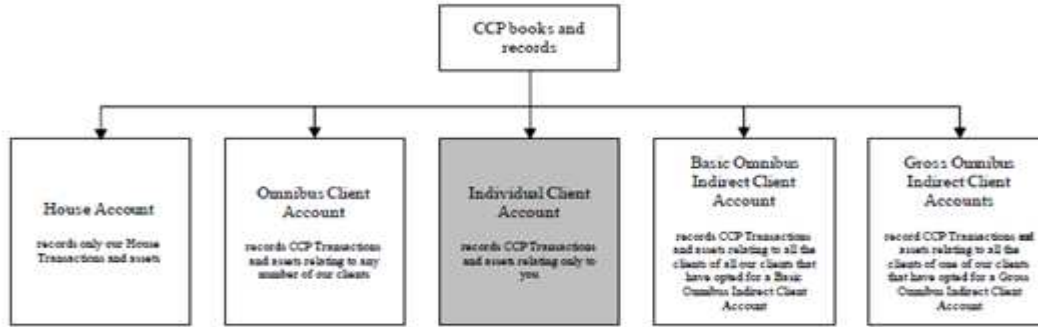
However, the CCP may net the CCP Transactions that are recorded in the same Omnibus Client Account. The assets provided in relation to the CCP Transaction recorded in the same Omnibus Client Account can be used in relation to any CCP Transaction (whether it relates to you or to any of our other clients) credited to that Omnibus Client Account.

Please see Part Two for an overview of the risks you may face if you choose an Omnibus Client Account and for details of the different levels of segregation that may be available at different CCPs.

Individual Client Account

Under this account type, at the level of the CCP, the CCP Transactions and assets that relate to you in the CCP's accounts are segregated from:

- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to our House Transactions;
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to any of our other clients (regardless of whether they have opted for an Individual Client Account or an Omnibus Client Account); and
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to your clients and any clients of our other clients (regardless of whether they have opted for a Basic Omnibus Indirect Client Account or a Gross Omnibus Indirect Client Account).



Can CCP Transactions and related collateral be netted with our House Transactions and assets?	No
Can CCP Transactions and related assets be netted with those relating to our other clients?	No
Can CCP Transactions and related collateral be netted with those relating to your clients?	No
Can CCP Transactions and related collateral be netted with those relating to clients of our other clients?	No

The CCP will not net the CCP Transactions relating to you with our House Transactions, nor use the assets relating to such CCP Transactions in relation to our House Transactions.

Further, and in contrast to an Omnibus Client Account, the CCP will not net the CCP Transactions relating to you that are recorded to an Individual Client Account with those of any other client recorded to *any* other account, nor use the assets related to such CCP Transactions in relation to the CCP Transactions relating to any of our other clients.

Please see Part Two for an overview of the risks you may face if you choose an Individual Client Account and additional features of Individual Client Accounts that may be available at different CCPs.

Please note that in case of choice of an ICA account, which prevents any synergies due to netting of transactions, additional costs and margin call requirements will be passed on to the client.

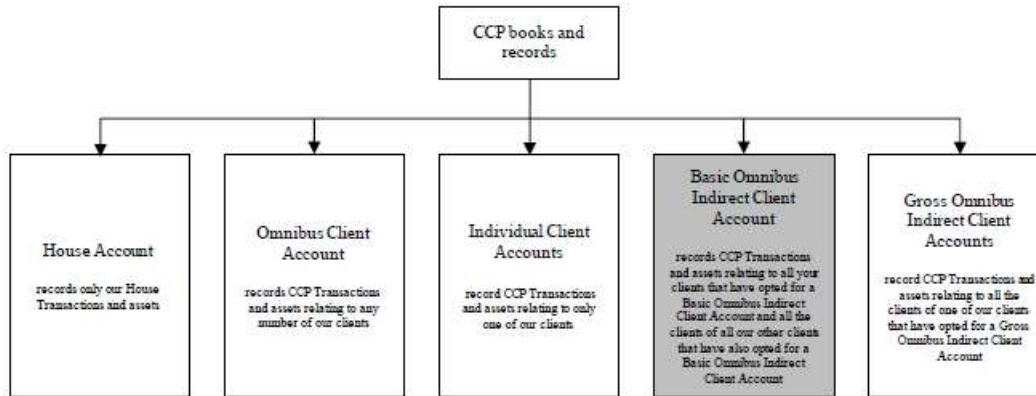
Basic Omnibus Indirect Client Account

Under this account type, at the level of the CCP, the CCP Transactions (including the corresponding assets in the CCP's accounts) relating to your clients that have opted for a Basic Omnibus Indirect Client Account are segregated from:

- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to our House Transactions;
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to your own account or that of one of our other clients (regardless of whether you/they have opted for an Individual Client Account or Omnibus Client Account); and
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to any of your clients or any clients of our other clients that have opted for a Gross Omnibus Indirect Client Account.



However, the CCP Transactions (including corresponding assets in the CCP's accounts) relating to your clients that have opted for a Basic Omnibus Indirect Client Account will be commingled with the CCP Transactions (including corresponding assets in the CCP's accounts) relating to any of your other clients and any clients of our other clients that have opted for a Basic Omnibus Indirect Client Account and which are recorded in the same Basic Omnibus Indirect Client Account.



Can CCP Transactions and related collateral be netted with our House Transactions and assets?	No
Can CCP Transactions and related assets be netted with those relating to you or our other clients?	No
Can CCP Transactions and related collateral be netted with those relating to your other clients?	Yes (provided your other clients' CCP Transactions and assets are recorded in the same Basic Omnibus Indirect Client Account)
Can CCP Transactions and related collateral be netted with those relating to clients of our other clients?	Yes (provided our other clients' clients' CCP Transactions and assets are recorded in the same Basic Omnibus Indirect Client Account)

The CCP will not net the CCP Transactions relating to your indirect clients that have opted for a Basic Omnibus Indirect Client Account with our House Transactions or any CCP Transactions not recorded in the same Basic Omnibus Indirect Client Account, nor use the assets relating to such CCP Transactions with respect to any House Transaction or CCP Transaction recorded in any other account.

However, both we and the CCP may net the CCP Transactions that are recorded in the same Basic Omnibus Indirect Client Account. The assets provided in relation to the CCP Transactions recorded in the same Basic Omnibus Indirect Client Account can be used in relation to any CCP Transaction (whether it relates to your indirect clients or indirect clients of any of our other clients) credited to that Basic Omnibus Indirect Client Account.

Please see Part Two for an overview of the risks in relation to a Basic Omnibus Indirect Client Account and for details of the different levels of segregation that may be available at different CCPs.

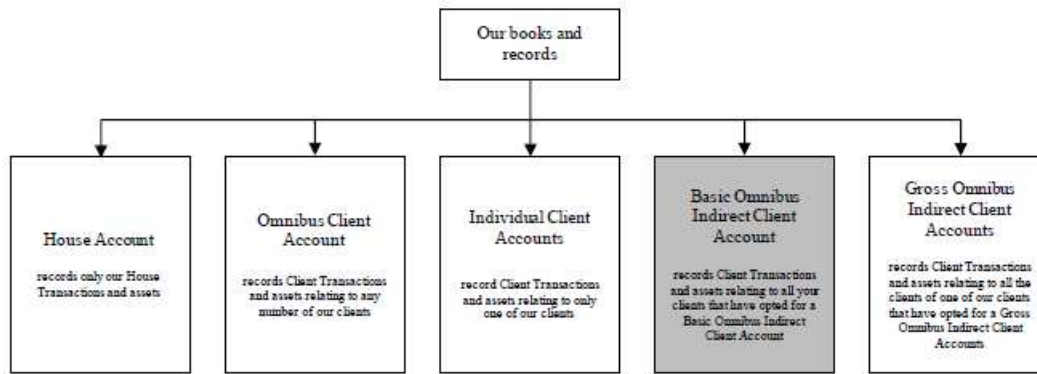
Additionally, at the level of the clearing broker, we then open and maintain accounts corresponding to the Basic Omnibus Indirect Client Accounts at the CCP level. Under this account type, the Client Transactions (including the corresponding assets in our accounts) relating to your clients that have opted for a Basic Omnibus Indirect Client Account are segregated from:

- our House Transactions;
- any Client Transactions (including corresponding assets in our accounts) relating to your own account or that of one of our other clients (regardless of whether you/they have opted for an Indirect Client Account or Omnibus Client Account);



- any Client Transactions (including corresponding assets in our accounts) relating to any clients of our other clients that have also opted for a Basic Omnibus Indirect Client Account and which are recorded in a different Basic Omnibus Indirect Client Account; and
- any Client Transactions (including corresponding assets in our accounts) relating to any of your clients or any clients of our other clients that have opted for a Gross Omnibus Indirect Client Account.

However, the Client Transactions (including corresponding assets in our accounts) relating to your clients that have opted for a Basic Omnibus Indirect Client Account will be commingled with the Client Transactions (including corresponding assets in our accounts) relating to any of your other clients that have also opted for a Basic Omnibus Indirect Client Account and which are recorded in the same Basic Omnibus Indirect Client Account.



Can Client Transactions and related collateral be netted with our House Transactions and assets?	No
Can Client Transactions and related assets be netted with those relating to you or our other clients?	No
Can Client Transactions and related collateral be netted with those relating to your other clients?	Yes (provided your other clients' Client Transactions and assets are recorded in the same Basic Omnibus Indirect Client Account)
Can Client Transactions and related collateral be netted with those relating to clients of our other clients?	No

We will not net the Client Transactions relating to your clients that have opted for a Basic Omnibus Indirect Client Account with our House Transactions or any Client Transactions not recorded in the same Basic Omnibus Indirect Client Account, nor use the assets relating to such Client Transactions with respect to any House Transaction or Client Transaction recorded in any other account.

However, we may net the Client Transactions that are recorded in the same Basic Omnibus Indirect Client Account. The assets provided in relation to the Client Transaction credited to that Basic Omnibus Indirect Client Account can be used in relation to any Client Transaction credited to that Basic Omnibus Indirect Client Account.

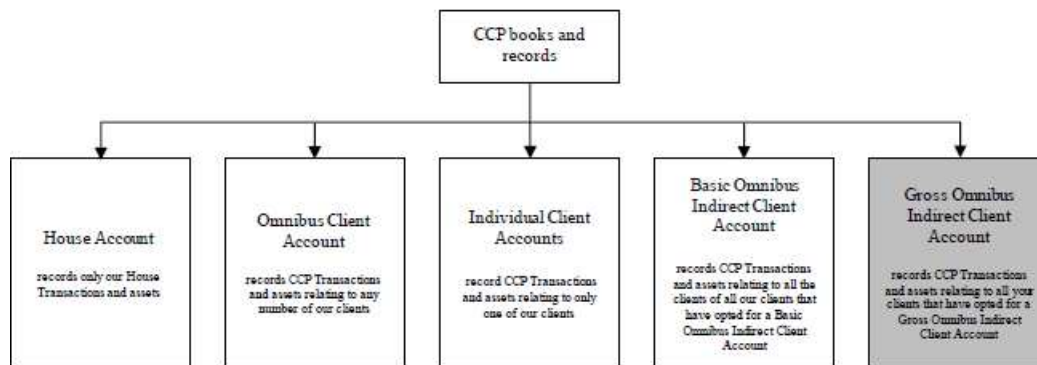


Gross Omnibus Indirect Client Account

Under this account type, at the level of the CCP, the CCP Transactions (including the corresponding assets in the CCP's accounts) relating to your clients that have opted for a Gross Omnibus Indirect Client Account are segregated from:

- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to our House Transactions;
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to your own account or that of one of our other clients (regardless of whether you/they have opted for an Individual Client Account or Omnibus Client Account);
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to any of your clients or any clients of our other clients that have opted for a Basic Omnibus Indirect Client Account; and
- any CCP Transactions (including corresponding assets in the CCP's accounts) relating to any clients of our other clients that have also opted for a Gross Omnibus Indirect Client Account and which are recorded in a different Gross Omnibus Indirect Client Account.

However, the CCP Transactions (including corresponding assets in the CCP's accounts) relating to your indirect clients that have opted for a Gross Omnibus Indirect Client Account will be commingled with the CCP Transactions (including corresponding assets in the CCP's accounts) relating to any of your other clients that have opted for a Gross Omnibus Indirect Client Account and which are recorded in the same Gross Omnibus Indirect Client Account. Within the Gross Omnibus Indirect Client Account, the CCP will keep separate records of the positions of each of your clients that have opted for a Gross Omnibus Indirect Client Account. The CCP will also calculate the margining requirement separately for each of your clients that has opted for a Gross Omnibus Indirect Client Account and collect the aggregate of each such margin requirement.



Can CCP Transactions and related collateral be netted with our House Transactions and assets?	No
Can CCP Transactions and related assets be netted with those relating to you or our other clients?	No
Can CCP Transactions and related collateral be netted with those relating to your other clients?	The CCP Transactions relating to any one of your clients that has opted for a Gross Omnibus Indirect Client Account will not be netted with the CCP Transactions relating to any of your other clients. However, the collateral of any one of your clients that has opted for a Gross Omnibus Indirect Client Account may be used to cover CCP Transactions of your other clients to the extent it is recorded in the same Gross Omnibus Indirect Client Account.
Can CCP Transactions and related collateral be netted with those relating to clients of our other clients?	No



The CCP will not net the CCP Transactions relating to your clients that have opted for a Gross Omnibus Indirect Client Account with our House Transactions, your CCP Transactions, the CCP Transactions relating to our other clients or any CCP Transactions relating to your other clients (regardless of whether they are recorded in the same Gross Omnibus Indirect Client Account).

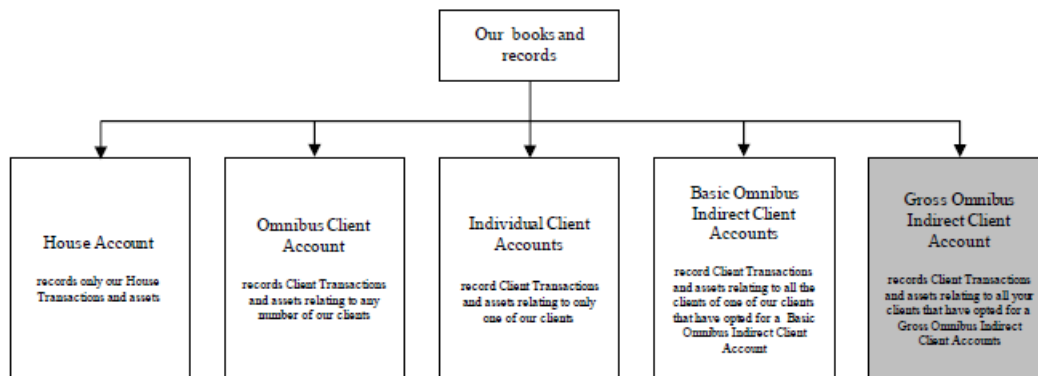
The CCP will also not use the assets relating to the CCP Transactions relating to your clients that have opted for a Gross Omnibus Indirect Client Account with respect to any House Transactions, your CCP Transactions, the CCP Transactions relating to our other clients or any CCP Transactions relating to your other clients provided that they are not recorded in the same Gross Omnibus Indirect Client Account. However, the assets provided in relation to the CCP Transactions relating to one of your clients that have opted for a Gross Omnibus Indirect Client Account may be used by both the CCP and us in relation to any CCP Transaction relating to your other clients that have also opted for a Gross Omnibus Indirect Client Account.

Please see Part Two for an overview of the risks in relation to a Gross Omnibus Indirect Client Account and for details of the different levels of segregation that may be available at different CCPs.

Additionally, at the level of the clearing broker we then open and maintain accounts corresponding to the Gross Omnibus Indirect Client Accounts at the CCP level. Under this account type, the Client Transactions (including the corresponding assets in our accounts) relating to your clients that have opted for a Gross Omnibus Indirect Client Account is segregated from:

- our House Transactions;
- any Client Transactions (including corresponding assets in our accounts) relating to your own account or that of one of our other clients (regardless of whether you/they have opted for an Individual Client Account or Omnibus Client Account);
- any Client Transactions (including corresponding assets in our accounts) relating to any of your clients or any clients of our other clients that have opted for a Basic Omnibus Indirect Client Account; and
- any Client Transactions (including corresponding assets our accounts) relating to any clients of our other clients that have also opted for a Gross Omnibus Indirect Client Account and which are recorded in a different Gross Omnibus Indirect Client Account.

However, the Client Transactions (including corresponding assets in our accounts) relating to your clients that have opted for a Gross Omnibus Indirect Client Account will be commingled with the Client Transactions (including corresponding assets in our accounts) relating to any of your other clients that have also opted for a Gross Omnibus Indirect Client Account and which are recorded in the same Gross Omnibus Indirect Client Account.





Can Client Transactions and related collateral be netted with our House Transactions and assets?	No
Can Client Transactions and related assets be netted with those relating to you or our other clients?	No
Can Client Transactions and related collateral be netted with those relating to your other clients?	The Client Transactions relating to any one of your clients that has opted for a Gross Omnibus Indirect Client Account will not be netted with the Client Transactions relating to any of your other clients. However, the collateral of any one of your clients that has opted for a Gross Omnibus Indirect Client Account may be used to cover Client Transactions of your other clients to the extent it is recorded in the same Gross Omnibus Indirect Client Account
Can Client Transactions and related collateral be netted with those relating to clients of our other clients?	No

We will not net the Client Transactions relating to your clients that have opted for a Gross Omnibus Indirect Client Account with our House Transactions, your Client Transactions, the Client Transactions relating to our other clients or any Client Transactions relating to your other clients (regardless of whether they are recorded in the same Gross Omnibus Indirect Client Account).

Neither will we use the assets relating to the Client Transactions relating to your clients that have opted for a Gross Omnibus Indirect Client Account with respect to any House Transactions, your Client Transactions, the Client Transactions relating to our other clients or any Client Transactions relating to your other clients provided that they are not recorded in the same Gross Omnibus Indirect Client Account. However, we may use the assets provided in relation to the Client Transactions relating to one of your clients that have opted for a Gross Omnibus Indirect Client Account in relation to any Client Transaction relating to your other clients that have also opted for a Gross Omnibus Indirect Client Account.

Other factors that may impact on the level of protection you receive in respect of assets that you provide to us as margin for Client Transactions.

There are a number of factors that, together, determine the level of protection you will receive in respect of assets that you provide to us as margin for Client Transactions:

- whether you choose an Omnibus Client Account or an Individual Client Account (as discussed under “*The types of account available*” above);
- whether, if you choose an Omnibus Client Account, you would want a gross or net account;
- in each case, whether such assets are transferred by way of title transfer or security interest;
- whether we call any excess margin from you or you pay excess margin to us;
- whether you will get back the same type of asset as you provided as margin; and
- the bankruptcy and other laws that govern us and the CCP.



Would you prefer a gross or net Omnibus Client Account?

Prior to the Indirect Clearing RTS coming into force, CCPs were only required to offer one type of Omnibus Client Account (and one type of Individual Client Account), some of them have developed a range of accounts within these two types with features that provide different degrees of segregation. These are discussed in more detail in Part Two. There are two main levels of segregation within Omnibus Client Accounts:

- Net is where the margin called by the CCP in respect of the CCP Transactions is called on the basis of the net CCP Transactions recorded in the Omnibus Client Account.
- Gross is where the margin called by the CCP Transactions is called on the basis of the gross CCP Transactions recorded in the Omnibus Client Account.

These two different versions of the Omnibus Client Account are replicated in the two indirect client accounts required under the Indirect Clearing RTS, which envisage one gross omnibus account in the form of the Gross Omnibus Indirect Client Account and one omnibus account that may be net in the form of the Basic Omnibus Indirect Client Account.

It may be easier to port CCP Transactions and their related assets, both in business as usual and default circumstances, if you choose a gross Omnibus Client Account than if you choose a net Omnibus Client Account. This is because the CCP is more likely to have sufficient assets to facilitate the porting of the CCP Transactions that relate to you and those that relate to another client separately if it has called the margin on a gross basis. That said, different CCPs' accounts have been designed in different ways and so you should consider the CCP's information about the specific accounts to understand the exact differences. Please see Part Two for more details on this.

Will you provide cash or non-cash assets as margin for the Client Transactions?

As noted under "*The "principal-to-principal" clearing model*" in Part One A, as a clearing member of the CCP, we are required to transfer assets to the CCP in respect of the CCP Transactions related to your Client Transactions. CCPs only accept certain types of liquid cash and non-cash assets as margin.

As is market practice, we will decide what types of assets to accept from you as margin for your Client Transactions. This will be set out in the client clearing agreement between us. What we will accept from you as margin for the Client Transactions will not necessarily be the same type of assets that the CCPs will accept from us for the CCP Transactions, in which case we may provide you with a collateral transformation service, under which we transform the assets you provide to those which we can pass onto the CCP.

Do you provide assets to us on a title transfer or a security interest basis?

As is market practice, we will decide the basis on which we are willing to accept assets from you. This will be set out in the client clearing agreement between us.



Title Transfer

Where the client clearing agreement provides for the transfer of assets by way of title transfer, when you transfer assets (**Transferred Assets**) to us, we become the *full owner* of such assets and you lose all rights in such assets. We will record in our books and records that we have received such Transferred Assets from you with respect to the applicable Client Transaction.

We will be obliged to deliver to you equivalent assets to such Transferred Assets (**Equivalent Assets**) in the circumstances set out in the client clearing agreement.

We may either transfer such Transferred Assets on to the CCP with respect to the CCP Transaction related to the Client Transaction, or we may transfer other assets to the CCP with respect to such CCP Transaction.

You bear our credit risk with respect to our obligation to deliver Equivalent Assets to you. This means that if we were to fail, unless we are declared to be in default by the CCP, you will have no right of recourse to the CCP or to any assets that we transfer to the CCP and you will instead have a claim against our estate for a return of the assets along with all our other general creditors. Even if we are declared to be in default by the CCP, the extent of your rights in relation to the CCP, if any, will depend on the particular CCP.

Security Interest

Where the client clearing agreement provides for the transfer of assets by way of security interest, when you transfer assets to us, you *retain* full beneficial ownership of such assets. Such assets are transferred to us on the basis that the assets still belong to you, but you have granted us a security interest with respect to such assets.

We may enforce that security interest if you default in your obligations to us. Absent the exercise of any right of liquidation by us (see below), only at the point of such enforcement would title in such assets or their liquidation value transfer to us. We will record in our books and records that we have received such assets from you with respect to the applicable Client Transaction.

Prior to any such default, you may also give us a right to use such assets. Until such time as we exercise such right of liquidation, the assets continue to belong to you. Once we exercise the right of liquidation, the liquidation value will belong to us, at which point you will bear our credit risk in a similar way to the title transfer arrangements. The circumstances in which we may exercise such right of liquidation and the purposes for which we may liquidate any assets will be set out in the client clearing agreement between us.

How will any excess margin we call from you be treated?

We are required to treat excess margin in a particular way in relation to an Individual Client Account. Excess margin is any amount of assets we require from you or you provide to us in respect of a Client Transaction that is over and above the amount of assets the CCP requires from us in respect of the related CCP Transaction.

If you choose an Individual Client Account we are required to pass all excess margin on to a CCP. If you provide us with assets which are not related to your individually segregated clearing activities at a particular CCP and such assets are not dedicated to cover your current positions with that CCP, then we do not need to post such assets on to that CCP. Also, if the excess margin you provide to us is not in the form of assets which are eligible to be posted to the CCP (in accordance with the CCP's rules), unless we agree otherwise, we have no obligation to transform such assets into assets that would be eligible to be posted to the CCP.



If you choose an Omnibus Client Account, a Basic Omnibus Indirect Client or a Gross Omnibus Indirect Client Account, we are not required to pass any excess margin on to the CCP. Depending on the terms on which we hold excess margin, you may take credit risk on us in respect of it.

Will you get back the same type of asset as you originally provided to us as margin for a Client Transaction?

Unless there is an exceptional situation, we will deliver the same type of asset to you that you originally provided to us

In the event of our default, if you are due a payment, you may not receive back the same type of asset that you originally provided to us. This is because the CCP is likely to have wide discretion to liquidate and value assets and make payments in various forms, and also because the CCP may not know what form of asset you originally provided to us as margin for the Client Transaction and as a result of any asset transformation services we may provide. This risk is present regardless of what type of client account you select.

Please see Part One C for a consideration of the main insolvency considerations.



Part One C: What are the main insolvency considerations?

General insolvency risks

If we enter into insolvency proceedings, you may not receive all of your assets back or retain the benefit of your positions and there are likely to be time delays and costs (e.g. funding costs and legal fees) connected with recovering those assets. These risks arise in relation to both Individual Client Accounts and Omnibus Client Accounts because:

- except for CCP-specific porting solutions described earlier and the comments below under “*Margin rights*”, you will not have any rights directly against the CCP; and you will only have contractual claims against us (i.e. rather than being able to recover particular assets as owner);
- our insolvency proceedings are most likely to be a version of a process called administration (although it is possible for us to enter into liquidation and other proceedings). In administration, subject to a few exceptions, you will not be able to take any action against us without court or insolvency official consent (which can be a time consuming process with an uncertain outcome); and
- any stage of a cleared transaction (e.g. Client Transactions, CCP Transactions and porting) may be challenged by our insolvency official if, broadly speaking, it was not on arm’s length terms. If successful, the court has broad powers to unwind or vary all of those stages.

Please also note that:

- insolvency law may override the terms of contractual agreements, so you should consider the legal framework as well as the terms of disclosures and legal agreements;
- a large part of your protection comes from CCP arrangements and the legal regimes surrounding them. Therefore, you should understand these in order to evaluate the level of protection that you have on our default. It is important that you review the relevant disclosures by the CCP in this respect; and
- CACEIS Bank is a credit institution regulated by French law, which has branches in Luxembourg, Germany, Belgium, Ireland, Netherlands, Switzerland, Italy and UK. You may have client clearing agreements with the head quarter in Paris or with one of its local branches
- As a general rule, the courts of the jurisdiction where the branch is located will not put branches of foreign entities into local insolvency proceedings, a position which is reinforced by EU law. This means that, despite us acting through a local branch, most of our insolvency-related questions will be determined by French law.
- Additionally:
 - in relatively limited cases, local courts will take insolvency jurisdiction even in relation to local branches of foreign companies; and
 - the interaction of key default issues – e.g. porting, recovery of assets, close-out netting and other insolvency matters – are likely to be determined by a combination of French law, the local law of the location of the relevant branch, the law of the location of any collateral and the law of the relevant CCP.

We suggest that you take legal advice on the interaction of these legal systems because it is beyond the scope of this disclosure.



Insolvency of CCPs and others

Except as set out in this section “*Insolvency of CCPs and others*”, this disclosure deals only with our insolvency. You may also not receive all of your assets back or retain the benefit of your positions if other parties in the clearing structure default.

In relation to CCP insolvency, broadly speaking our (and therefore your) rights will depend on the law of the country in which the CCP is incorporated and the specific protections that the CCP has put in place. You should review the relevant CCP disclosures carefully in this respect and take legal advice to fully understand the risks in this scenario.

In addition, please note the following:

- we expect that an insolvency official will be appointed to manage the CCP. Our rights against the CCP will depend on the relevant insolvency law and/or that official;
- it will be difficult or impossible to port CCP Transactions and related margin, so it would be reasonable to expect that they will be terminated at CCP level. The steps, timing, level of control and risks relating to that process will depend on the CCP, its rules and the relevant insolvency law. However, it is likely that there will be material delay and uncertainty around when and how much assets or cash we will receive back from the CCP. Subject to the bullet points below, it might occur, that we will receive back only a percentage of assets available depending on the overall assets and liabilities of the CCP;
- it is unlikely that you will have a direct claim against the CCP because of the principal-to-principal model described in Part One A
- Client Transactions will terminate at the same time as the matching CCP Transactions unless the relevant CCP rules provide otherwise. This will result in a net sum owing between you and us. However, your claims against us are limited recourse so that you will only receive amounts from us in relation to Client Transactions if we receive equivalent amounts from the CCP in relation to relevant CCP Transactions;
- if recovery of margin in this scenario is important, then you should explore “bankruptcy remote” or “physical segregation” structures offered by some CCPs. These tend to be offered only in relation to Individual Client Accounts and generally involve either:
 - you or us retaining assets in your/our name and only giving a security interest over that margin to the CCP (i.e. it allows the CCP to apply margin if we default but should keep the assets out of the CCP's insolvency if it defaults); or
 - the CCP holding the assets in a blocked or controlled margin account and giving a security interest (or similar legal right) over the margin back to us, to you and/or to a trustee on our behalf.

It is beyond the scope of this disclosure to analyse such options but your due diligence on them should include analysis of matters such as whether other creditors of the type described in “*Porting – preferential creditors*” below will have priority claims to margin; whether margin or positions on one account could be applied against margin or positions on another account (notwithstanding the contractual agreement in the CCP's rules); the likely time needed to recover margin; whether the margin will be recovered as assets or cash equivalent; and any likely challenges to the legal effectiveness of the structure (especially as a result of the CCP's insolvency).

Margin rights

If you provide assets to us by way of security interest and we have not exercised a right of liquidation over those assets, then you should have a legal right to recover the balance of those assets (after settling your obligations to us) ahead of other creditors. However, please note that, depending on the exact set up of our security arrangements, it may be that some preferential creditors will still have a prior claim to your assets (please see “Porting – preferential creditors” below which deals with a similar point).

If you have retained the assets (e.g. in a custody account over which you have given us a security interest) then you will have the best chance of recovering them. If you have transferred the assets to our name by way of security then you bear more risk if there is a shortfall in any of the assets that we are holding. Generally speaking, your risk of loss will be highest in relation to cash margin; lower in relation to securities held by us in an omnibus account; and lower if securities are segregated at custody level identifying you as the client.

The actual result will be highly fact specific and will depend on, amongst other things, the exact terms of our legal arrangements; how we have operated accounts; and claims that other intermediaries (e.g. settlement systems) have to those assets.

We do not expect the above position to change materially if you have an Individual Client Account, Omnibus Client Account, Basic Omnibus Indirect Client Account or Gross Omnibus Indirect Client Account.

Close-out netting

If we default and the CCP cannot port the CCP Transactions and collateral (e.g. because a back-up clearing broker cannot be found or, ordinarily, because the relevant positions are in a Basic Omnibus Indirect Client Account) then we would expect it to terminate and net our CCP Transactions and apply related assets.

You and we would want this to work differently from normal bilateral close-out netting that would apply to all positions and assets between us and the CCP – e.g. assets on an Individual Client Account relating to you could be netted with our house or another client account at the CCP. As a matter of principle assets of Indirect Clearing Accounts are segregated from other account structures. However depending on the rules of each individual CCP, there is a risk that this netting across accounts could happen automatically.

A similar risk occurs between us and you in relation to Client Transactions.

It is most likely to materialise in a pre-porting period during which French law may automatically set off Client Transactions and collateral relating to one CCP with Client Transactions and collateral relating to another. This risk arises regardless of what you and we may provide for in our clearing documentation. Whilst the resulting termination amount should represent our net exposure to each other, it will make porting difficult or impossible.

There are certain industry-wide legal opinions that are being prepared on the effectiveness of close-out provisions in standard client clearing agreements. You should seek legal advice and/or access to such opinions for more information in this respect.

Please also note more generally that your freedom to close out Client Transactions is more limited under the client clearing agreement than in other arrangements that you may be used to. In particular, your ability terminate may be limited to situations where the relevant CCP has declared us to be in default under the CCP's rules. The intention is to match the treatment of CCP Transactions and Client Transactions as much as possible. However, this may mean that – unless the CCP declares a default under its rules - you cannot terminate Client Transactions for common reasons such as a payment or insolvency default on our part.



Porting - prohibition

As mentioned above, except in specific (e.g. physically segregated) structures, a CCP only owes us (not you) obligations in relation to CCP Transactions and related assets.

As a result, when these contracts and assets are transferred to a back-up clearing broker, there is a risk of insolvency challenge because our rights have effectively been taken from us on or around the time of our insolvency. Applicable laws may not permit this and there is a risk that the courts may therefore not permit, or may unwind, any porting and related Client Transactions with your back-up clearing broker.

That said, we expect the risk of challenge to be low in relation to CCP Transactions and matching transfer of Client Transactions that are ported in accordance with the default rules of a CCP.

Porting - preferential creditors

As mentioned under “*What happens if we are declared to be in default by a CCP?*” in Part One A, a CCP’s porting structure may be based on or supported by a security interest. This can take different forms but generally involves us creating security over our rights against the CCP in relation to an Individual Client Account or Omnibus Client account in your favour or in favour of another person (e.g. an independent trustee) to hold the security on your behalf. Broadly speaking, the security interest should support the argument that these assets are not part of our insolvency estate (i.e. are not to be shared with our other creditors).

However, depending on the exact structure, insolvency law gives certain statutory creditors priority over secured creditors. This means that some creditors may have a claim on client account assets ahead of you, depending on the applicable insolvency law.

Mismatch of CCP/Client Transactions and assets

It could be that our net assets in relation to CCP Transactions do not match our net obligations to each other in relation to the matching Client Transactions. This can slow down or make porting impossible either operationally or legally.

For example, it may occur at CCP level as a result of Fellow Client Risk (see the explanation of this term in Part Two of this document) in an Omnibus Client Account, with the result that there are insufficient assets available for porting to satisfy our obligations to you in relation to the Client Transactions.

Part Two C: CCP client account structures

As noted in Part One B, each CCP has to offer at least an Omnibus Client Account structure and an Individual Client Account structure by changing some of the features. This Part Two contains an overview of the main levels of segregation within each account type of which we are aware that the CCPs offer, together with an overview of the main protections afforded by and the main legal implications of each.

The descriptions given in this Part Two are very high level and consider the typical features of these account types and the minimum requirements for indirect client account types under the Indirect Clearing RTS, and the respective levels of segregation.. However, the particular characteristics of the accounts will affect the exact levels of protection they offer and the legal implications so you must review the information provided by the CCPs to fully understand the risks of the specific account we maintain in relation to you at each CCP.

Each CCP is required to publish information about the account structures it offers and we have provided a link to the website of each CCP we use. You may also need to seek professional advice to understand the differences in detail. However, we hope that the questions raised and factors described in both parts



of this document will help you to know which questions to ask and to understand the impact of the answers you receive.

The descriptions have been prepared on the basis of publicly available disclosure documents made available by a selection of CCPs. We are not responsible for, and do not accept any liability whatsoever, for any content or omissions or inaccuracies contained in the information produced by any CCP. The descriptions of the indirect client accounts have been prepared on the basis of the minimum requirements in the Indirect Clearing RTS.

The below table seeks to compare the main account types and levels of segregation against the following risks:

Risks used to compare each account type and level of segregation	Explanation of risk
Transit Risk	Whether you are exposed to us at any point in the process of providing or receiving margin in respect of Client Transactions.
Fellow Client Risk	Whether assets provided to the CCP in respect of CCP Transactions related to you could be used to cover losses in CCP Transactions relating to another client.
Liquidation Risk	Whether, if the CCP Transactions and assets relating to them were to be ported, there is a risk that any non-cash assets would be liquidated into cash. If this were to happen, the value given to such assets by the CCP may differ from what you perceive to be the full value of the assets.
Haircut Risk	Whether the value of the assets that relate to CCP Transactions might be reduced or not increase by as much as you expect because the CCP applied a haircut that did not properly reflect the value of the asset.
Risks used to compare each account type and level of segregation	Explanation of risk
Valuation Mutualisation Risk	Whether the value of the assets that relate to CCP Transactions could be reduced or not increase by as much as you expect because the assets posted in relation to other clients' CCP Transactions have decreased in value.
CCP Insolvency Risk	Whether you are exposed to the insolvency or other failure of the CCP.



Typical client account characteristics at the CCP level

	Net Omnibus Client Account	Gross Omnibus Client Account	Individual Client Account
Transit Risk	Yes	Yes	Yes
Fellow Client Risk	Yes	Yes	No
Liquidation Risk	Yes (unless the CCP is able to port the assets recorded in the account or is able to transfer the assets to you without needing to liquidate some or all of them first).	Yes (unless the CCP is able to port the assets recorded in the account or is able to transfer the assets to you without needing to liquidate some or all of them first).	Yes (unless the CCP is able to port the assets recorded in the account or is able to transfer the assets to you without needing to liquidate some or all of them first).
Haircut Risk	Yes	Yes	Yes
Valuation Mutualisation Risk	Yes	Yes	No
CCP Insolvency Risk	Yes	Yes	Yes
How likely it is that porting will be achieved if we default?	There is a significant risk that porting will not be achieved in respect of positions and assets recorded in a net Omnibus Client Account.	There is a significant risk that porting will not be achieved in respect of positions and assets recorded in a net Omnibus Client Account.	If you have satisfied all of the CCP's and back-up clearing member's conditions, porting is more readily facilitated in the event of our default.

	Net Omnibus Client Account	Basic Omnibus Indirect Client Account	Gross Omnibus Client Account	Gross Omnibus Indirect Client Account	Individual Client Account
Who will the CCP Transactions recorded in the account relate to?	Net Omnibus Client Accounts record both assets and CCP Transactions that relate to you and the assets and CCP Transactions that relate to one or more of our other clients.	Basic Omnibus Indirect Client Accounts record both assets and CCP Transactions that relate to your clients that have opted for a Basic Omnibus Indirect Client Account and the assets and CCP Transactions that relate to the clients of our other clients that have opted for Basic Omnibus Indirect Client Account.	Gross Omnibus Client Accounts record assets and CCP Transactions that relate to you and the assets and CCP Transactions that relate to one or more of our other clients.	Gross Omnibus Indirect Client Accounts record assets and CCP Transactions that relate to your clients that have opted for a Gross Omnibus Indirect Client Account.	Only assets and CCP Transactions that relate to you should be recorded in an Individual Client Account.
Which losses can assets recorded in the account be used for?	Assets that are provided to the CCP as margin for a CCP Transaction recorded in a net Omnibus Client Account may be used to cover any losses in that account, whether such losses relate to the CCP Transactions relating to you or CCP Transactions relating to another client. ³⁷	Assets that are provided to the CCP as margin for a CCP Transaction recorded in a Basic Omnibus Indirect Client Account may be used to cover any losses in that account, whether such losses relate to the CCP Transactions relating to your clients or CCP Transactions relating to clients of our other	Assets that are provided to the CCP as margin for the CCP Transactions recorded in a gross Omnibus Client Account may be used to cover any losses in that account, whether such losses relate to the CCP Transactions relating to you or CCP Transactions relating to another client. ³⁹	Assets that are provided to the CCP as margin for the CCP Transactions recorded in a Gross Omnibus Indirect Client Account may be used to cover any losses of any of your clients in that account. ^{40 41}	Assets that are provided to the CCP as margin for CCP Transactions recorded in an Individual Client Account may only be used to cover losses in that account. ⁴²



	Net Omnibus Client Account	Basic Omnibus Indirect Client Account	Gross Omnibus Client Account	Gross Omnibus Indirect Client Account	Individual Client Account
		clients. ³⁸			
Will the CCP know which CCP Transactions and types of assets relate to you/ your clients?	The CCP may not know which CCP Transactions and assets recorded in a net Omnibus Client Account relate to you.	The CCP may not know which CCP Transactions and assets recorded in a Basic Omnibus Indirect Client Account relate to your individual clients.	The CCP may not know which CCP Transactions and assets recorded in a gross Omnibus Client Account relate to you.	The CCP will know which CCP Transactions relate to your clients, but may not know which types of assets relate to your clients.	Yes
Will the CCP record the assets provided by value only or will it identify the type of asset provided?	The CCP may identify in its records the type of asset provided as margin for the net Omnibus Client Account but will not be able to identify which type of assets relate to any client's CCP Transactions within that net Omnibus Client Account.	The CCP may identify in its records the type of asset provided as margin for the Basic Omnibus Indirect Client Account but will not be able to identify which type of assets relate to any indirect client's CCP Transactions within that Basic Omnibus Indirect Client Account.	The CCP may identify in its records the type of asset provided as margin for the gross Omnibus Client Account but is unlikely to be able to identify anything other than the value of the assets provided in respect of any client's CCP Transactions within that gross Omnibus Client Account.	The CCP may identify in its records the type of asset provided as margin for the Gross Omnibus Indirect Client Account but is unlikely to be able to identify anything other than the value of assets provided in respect of any of your client's CCP Transactions within that Gross Omnibus Indirect Client Account.	The CCP should identify in its records the type of asset provided as margin for an Individual Client Account.

	Net Omnibus Client Account	Basic Omnibus Indirect Client Account	Gross Omnibus Client Account	Gross Omnibus Indirect Client Account	Individual Client Account
Will the CCP Transactions recorded in the account be netted?	It is likely that the CCP Transactions recorded in the account will be netted. This means that CCP Transactions that relate to you may be netted with CCP Transactions that relate to our other clients whose CCP Transactions are recorded in the same net Omnibus Client Account.	It is likely that the CCP Transactions recorded in the account will be netted. This means that CCP Transactions that relate to your clients may be netted with CCP Transactions that relate to clients of our other clients whose CCP Transactions are recorded in the same Basic Omnibus Indirect Client Account.	CCP Transactions relating you in the account will be netted with other CCP Transactions relating to you. However CCP Transactions relating to you should not be netted with CCP Transactions relating to any of our other clients recorded in the same Gross Omnibus Client Account.	CCP Transactions relating to any one of your clients in the account will be netted with other CCP Transactions relating to that same client. However, CCP Transactions relating to that client should not be netted with CCP Transactions relating to any of your other clients recorded in the same Gross Omnibus Indirect Client Account.	CCP Transactions are likely to be netted, but should not be netted against the CCP Transactions relating to any of our other clients.
Will the margin be calculated on a gross or net basis?	The margin will be calculated on a net basis.	The margin will be calculated on a net basis.	The margin will be calculated on a gross basis.	The margin will be calculated on a gross basis.	The margin requirement for an Individual Client Account will typically be calculated on a net basis.
Will you have to enter into any documentation or operational arrangements directly with the CCP?	You may have to enter into legal documentation to which the CCP is party. It is unlikely that you will have to set up any operational	You may have to enter into legal documentation to which the CCP is party. It is unlikely that you will have to set up any operational	You may have to enter into legal documentation to which the CCP is a party. It is possible but unlikely that you will have to set up operational	You may have to enter into legal documentation to which the CCP is party. It is possible but unlikely that you will have to set up some operational	You may have to enter into legal documentation to which the CCP is a party. It is also possible that you will have to set up some operational

	Net Omnibus Client Account	Basic Omnibus Indirect Client Account	Gross Omnibus Client Account	Gross Omnibus Indirect Client Account	Individual Client Account
	arrangements with the CCP directly.	arrangements with the CCP directly.	arrangements with the CCP directly.	arrangements with the CCP directly.	arrangements with the CCP directly.



	Net Omnibus Client Account	Basic Omnibus Indirect Client Account	Gross Omnibus Client Account	Gross Omnibus Indirect Client Account	Individual Client Account
Transit Risk	Yes	Yes	Yes	Yes	Yes
Fellow Client Risk	Yes	Yes	Yes	Yes	No
Liquidation Risk	Yes (unless the CCP is able to port the assets recorded in the account or is able to transfer the assets to you without needing to liquidate some or all of them first).	Yes	Yes (unless the CCP is able to port the assets recorded in the account or is able to transfer the assets to you without needing to liquidate some or all of them first).	Yes (unless the CCP is able to port the assets recorded in the account or is able to transfer the assets to you without needing to liquidate some or all of them first).	Yes (unless the CCP is able to port the assets recorded in the account or is able to transfer the assets to you without needing to liquidate some or all of them first).
Haircut Risk	Yes	Yes	Yes	Yes	Yes
Valuation Mutualisation Risk	Yes	Yes	Yes	Yes	No
CCP Insolvency Risk	Yes	Yes	Yes	Yes	Yes
How likely it is that porting will be achieved if we default?	There is a significant risk that porting will not be achieved in respect of positions and assets recorded in a net Omnibus Client Account.	Unlikely	There is a significant risk that porting will not be achieved in respect of positions and assets recorded in a net Omnibus Client Account.	If you have satisfied all of the CCP's and back-up clearing member's conditions, porting is more readily facilitated in the event of our default.	If you have satisfied all of the CCP's and back-up clearing member's conditions, porting is more readily facilitated in the event of our default.

Additional features that may be available for Individual Client Accounts

Some CCPs may offer additional Individual Client Accounts with special features that have been designed to mitigate certain of the risks identified under “*Typical account structures*” above. Below is a high level overview of some of the common additional features. The extent to which any risks are mitigated by these additional features, if at all, will depend on the structures used by an individual CCP. Again, therefore, you must review the information provided by the CCPs in order to evaluate the actual risks to you and you may need some professional advice. It is likely that these additional features will only be available to certain types of clients that meet each CCP’s requirements. These additional features are not required by the EU-Requirements. Accordingly, not all CCPs will offer them nor are we obliged to facilitate access to them.

Additional feature	High level overview of the additional feature	Which risks might this feature mitigate?
Extended porting period	<p>In the event of our default, this feature has been designed to allow more time for porting to be achieved.</p> <p>For a set period of time (decided by the CCP) following our default, the CCP Transactions and assets that relate to you will continue to be held in an account which the CCP will identify as directly relating to you. If you find a back-up clearing broker, these CCP Transactions and assets will then be transferred to one of their client accounts. If you do not find a back-up clearing broker, they will be terminated and the close-out value returned to you.</p> <p>Where the CCP treats the Client as an interim Clearing Member, it is possible that the CCP may expect you to contribute to the default fund and may require additional margin, including variation margin, to be provided in respect of the CCP Transactions transferred to you.</p> <p>It is possible that you may have to set up such accounts as the CCP requires and have the ability to make payments directly to the CCP. The CCP may also have an additional list of requirements that you will have to satisfy to be able to use the extended porting period.</p>	This may make porting more likely to be achieved.



Additional feature	High level overview of the additional feature	Which risks might this feature mitigate?
<p>Separate custody account (in the name of the CCP) for the assets that have been provided as margin for positions relating to you</p>	<p>The assets relating to your positions are held in a separate account (in the CCP's name) at the CCP's custodian from any other assets held for the CCP.</p> <p>It is likely that you will have to enter into additional legal documentation with us and the CCP.</p>	<p>This may make porting more likely to be achieved.</p>
<p>Ability for you to keep assets required as margin for positions relating to you in a custody account in your name.</p>	<p>It is likely that you will have to enter into additional legal documentation and security arrangements with us and the CCP, and any custodian or settlement bank used under this structure.</p> <p>This additional feature may be restricted to certain types of non-cash assets.</p> <p>The custodian may be specified by or require the approval of the CCP.</p> <p>There will be additional operational requirements that you will need to meet in order to use this type of additional feature.</p>	<p>Transit Risk CCP Insolvency Risk</p> <p>This may make porting more likely to be achieved.</p>
<p>Ability for you to post margin directly to the CCP.</p>	<p>You may be able to post margin directly to the CCP rather than you posting it to us, and us in turn posting it on to the CCP.</p> <p>This form of account may require you to have an account with particular custodians and settlement banks. The custodians and settlement banks are likely to be specified by the CCP.</p> <p>You will have to enter into additional legal documentation with us and the CCP.</p> <p>There will be additional operational requirements which you will need to meet in order to use this type of additional feature.</p>	<p>Transit Risk</p>

Part Three: General information reg. the conditions for Clearing Services:

Please be informed that these Pricing Guidelines as set out for the purposes of above mentioned EMIR Article 38(1) and 39(7) and Article 27 RTS 6 of MiFID II, are indicative pricing and costs for providing clearing services on such CCPs.

The exact fees charged in respect of the provision of client clearing and related services are subject to negotiation and will be agreed with each client; the terms and conditions governing the charging and payment of such fees will be detailed in the pricing agreement to be signed between the Bank and each client.

Part Three A: Conditions Cash Clearing Services

CACEIS will pass-through all fees set out in the CCP below table. These are not inclusive of any fees or charges applied by any applicable exchange and/or CCP and/or other third parties (including, without limitation, commissions, fees or taxes) (“Out of Pocket Fees”) for the provision of clearing services, and will vary depending on the clients omnibus segregation or individual segregation arrangements. CCP fees may change from time to time and are generally outside of CACEIS’ control. Any changes in these fees will be reflected in the pass-through to clients.

As of December 2023

CCP	Cost account opening	Additional cost maintenance segregated accounts	Additional costs (NCM membership fee)	Price CACEIS
BME Clearing	0	EUR 1,000 p.a.	NCM Membership Fee: EUR 4.000 p.a.	EUR 28.000
CCP.A	EUR 1,120	EUR 1,200 p.a.	NCM Membership Fee: EUR 3.360 p.a.	EUR 28.000
Euronext Clearing	0	ISA: EUR 2.760 p.a. AOA: EUR 4.800 p.a.	NCM Membership Fee: EUR 9,000 p.a.	EUR 28.000
CBOE Clear	0	EUR 6,000 p.a.	NCM Membership Fee: EUR 4,500 p.a.	EUR 28,000
Eurex Clearing AG	0	0	NCM Membership Fee: EUR 2,400 p.a.	EUR 28.000
LCH Clearnet Ltd.	0	ISA: GBP 3.000 p.a. OSA: GBP 1.000 p.a.	NCM Membership Fee: GBP 4.000 p.a.	EUR 28.000
LCH Clearnet SA	0	ISA: € 3.500 p.a. OSA: € 1.200 p.a.	NCM Membership Fee: EUR 6.000 p.a.	EUR 28.000
SIX x-clear AG	0	0	NCM membership fee: CHF 2.900 p.a.	EUR 28.000



Part Three B: Conditions Listed Derivatives Clearing Services

This document sets out the Bank’s indicative pricing for providing client clearing services for exchange traded derivatives at CCPs authorized to clear derivatives under the EU-Requirements. In particular, it details the costs associated with the different account structures made available by the Bank.

The costs mentioned in this document correspond to the highest charge applied by the Bank to the stand alone provision of client clearing; any other applicable charges imposed by CCPs should thus be added to calculate the total charge for the client.

A number of different factors are taken into consideration by the Bank when determining a client’s standard fee structure and eventually applying any rebate or discount; amongst the key factors, we can list:

- The structure and complexity of clearing services required by the client
- The overall client relationship with the Bank
- The client risk profile
- The consumption of the Bank financial resources (Cost of capital, payment to Default Funds, etc.)

The table below details the different criteria which are generally considered to determine the operational complexity of the clearing service provided to the client:

Operational setup	Lower Fess	Higher Fess
Volume of trades	High	Low
Account structure	Omnibus Segregated Account (OSA)	Individual Segregated Account (ISA)
Number of accounts at CCP	Low	High
Collateral	Cash collateral	Non-cash collateral
Funding	Collateral pre-funding	Non-prefunded collateral
Service	Execution and Clearing	Clearing only
Execution	Electronic / Direct	Voice
Settlement	Cash settlement	Physical delivery
Allocation process	Automatic acceptance	Instructing
Average pricing	Straight-Through Processing	Manual Processing
Reporting	Standard	Bespoke
Onboarding	Standard service	Bespoke service
Additional services	Standard setup	Complex setup



The table below sets out the maximum client clearing fees* which may be charged by the Bank, depending on the segregation model chosen by the client :

Nature	Description	Maximum Fee		
		OSA Net	OSA Gross	ISA
Futures and Options Clearing fee	Charge per lot applied to each transaction	10 € per lot	10 € per lot	10 € per lot
Account opening fee	Maximum fee per opening of account at CCP level (one-shot)	None	10 000 € per account	10 000 € per account
Account maintenance fee	Maximum flat monthly fee for servicing an account at CCP level	None	5 000 € per account per month	5 000 € per account per month
Capital charge	To cover the capital impact of clearing (as a % of initial margin)	75 bps	75 bps	100 bps
Funding charge	To meet intraday shortfalls incurred on supporting client margin payments at CCPs	Benchmark index + 250 bps		
Cash & non-cash movements	Maximum charge per cash or non-cash collateral movements	None		
CCP charges	CCP charges related directly to the client business	All market fees are passed on to clients		
Third party charges	Third party charges related directly to the client business	All market fees are passed on to clients		

*The above mentioned fees apply for clearing only

Minimum account fees: The Bank may apply a minimum account fee (MAC) for clients whose annual activity does not reach the minimum thresholds fixed by the bank.

Additional services: The Bank may charge additional fees for clients using additional services such as collateral transformation, reporting to Trade Repository or implementation of bespoke technology or operational solutions.

CCP fees: as indicated in the table above, the Bank applies a pass-through model and passes on to each client the exact amount of fees charged by the CCP for the activity of the client.

Information of individual CCP account fee structures under the EU-Requirements is available through the CCPs websites :

Part Four: Links to web pages of CCPs or Clearing Brokers:

Please note that these links have been included for convenience only. If the links no longer open the relevant web page of the CCP, please contact the CCP directly.

CCP	LEI	Links to CCP's web pages
BME Clearing (Bolsas y Mercados Españoles)	5299009QA8BBE 20OB349	https://www.bolsasymercados.es/
CCP.A (CCP Austria)	529900QF6QY66 QULSI15	https://www.ccpa.at/
CBOE Clearing (formerly EuroCCP)	724500937F740M HCX307	https://clear.cboe.com/europe/
Eurex Clearing AG	529900LN3S50JP U47S06	https://www.eurexclearing.com
Euronext Clearing (formerly Cassa di Compensazione e Garanzia S.p.A. (CC&G))	8156006407E264 D2C725	https://www.euronext.com/en
ICE Clear Europe Ltd	5R6J7JCQRIPQR1 EEP713	https://www.theice.com/clear-europe
LCH Clearnet SA (Banque Centrale de Compensation SA)	R1IO4YJ0079SM WVCHB58	https://www.lch.com
LCH Ltd.	F226TOH6YD6XJ B17KS62	https://www.lch.com
Nasdaq OMX Clearing AB	54930002A8LR1A AUCU78	https://www.nasdaq.com/solutions/nasdaq-clearing-offering
SIX x-clear AG	5493000C6JWJSI SPU377	https://www.six-securities-services.com



Clearing brokers	LEI	Links to clearing brokers web pages
Goldman Sachs Bank Europe SE	8IBZUGJ7JPLH368J E346	https://www.goldmansachs.com/disclosures/
Société Générale SA (Paris)	O2RNE8IBXP4R0TD 8PU41	https://wholesale.banking.societegenerale.com/en/compliance-regulatory-information/market-regulation/mifid/
Banco Santander SA	5493006QMFDDMY WIAM13	https://www.santandercib.com/solutions/global-markets/equity-derivatives-etc