

Stuart Bailey

From: Girard, Christelle (LCH) <Christelle.Girard@lch.com>
Sent: Wednesday, September 11, 2019 5:25 PM
To: Stuart Bailey; Briggs, Nicholas
Cc: Noblet, Christophe (LCH); FEYRIT, Delphine (LCH); Mooijer, Willem (LCH)
Subject: RE: LCH SA's EURONEXT OPTIQ PHASE 3 derivatives migration and changes to LCH SA EOD files

[EXTERNAL]

Dear both,

We appreciate you reaching out to share your thoughts and the Committee's concerns. As you know, this Euronext project is complex and requires a lot of stakeholders involvement across a number of market participants.

This trading platform project is sponsored and driven by Euronext and they are defining the timeline, not LCH SA.

LCH SA is doing its best to support its members for this trading platform migration. Changes required for Euronext Optiq have been minimized as much as possible at a clearing level but not all LCH SA changes are indeed available yet for testing. We will be communicating to all our clearing members later on today the full and complete timeline for the last code change release in our testing environment with the last phase being on Oct 14th. While some of your concerns are not in our hands, you can however be assured that LCH is closely monitoring both Euronext's and ISV's progress.

- *Committee members have raised the following concerns relating to the availability of test environments/files and the project timelines:*

There is not a confirmed timeline for when test data and UAT environments will be made available to clearing members and ISVs. We understand this will be in October, but the exact date is unclear.

LCH: As mentioned above, a timeline for the release in test of the very last changes will be shared with our members today. The full and complete set of changes impacting LCH SA will be available in our member test environment on Oct 14th. Please note that detailed technical specifications were made available on May 24th for the most structural changes and have been since then broadly communicated, with testing for phase 1 starting early July.

- *Concerns have been raised that the current LCH SA text files are complex, cannot be read/formatted manually and require pre-formatting into CSV prior to loading into automated reconciliation tools. This complicates clearing member/ISV development work.*

LCH: We appreciate the feedback and understand text files are far from being the optimal format. LCH produces two sets of files in txt format which are treasury and OPEJ files. No change is requested for the treasury files. The changes of OPEJ files are limited to the Optiq migration.

- *It has been suggested that firms should use Euronext's internal reports for testing, however the Ops Committee are not comfortable with this approach.*

LCH: We are not quite sure to understand your point, are you talking about clearing tests where you have been requested to use Euronext's internal reports? Or Are you referring to execution testing? LCH SA would strongly advise its clearing members to test using LCH SA test files.

- *Clearing members are still waiting for FIS to confirm if a CV upgrade is required. FIS has already confirmed they will not be ready to support the new MOC contract for the 25 November but they still need to verify if clearing members need an upgrade or if the current production version is compatible.*

LCH: this feedback is in line with what we have heard as well from FIS. Clearing members should keep on driving FIS to complete their analysis. The MoC features included in the Nov 25th release will purely be a technical one with a business go-live at a later date (Q1'2020) as advised by Euronext. These changes consist in adding new fields at the end of SLE messages so there will be no impact for FIS if they don't process these additional fields at the technical go live.

- *More generally clearing members require a lead time of 3-months to rebuild/amend, test and release the new files based on the planned changes that have been communicated.*

LCH: We fully understand that the lead time required for such initiative, which is why LCH SA started reaching and sharing information with its clearing members from the end of May, and as early as the information was received from its partner. This initiative is driven by Euronext who defines the overall timeline. LCH SA started communicating detailed technical specifications on May 24th including files and messages specifications. LCH SA's test environment was set-up and opened with some of the features from July 22nd for members to start testing the initial phase of functionalities delivered.

Please be assure that LCH will ensure a full support to its clearing members and ISV in order to secure a go-live by end of November (subject to Euronext full and final confirmation).

Given the above there are concerns around clearing member's ability to meet the 25th November deadline. If you could let us know when you are available for a call to discuss that would be much appreciated?

Our Head of Listed Derivatives Product and myself can be available for a call on Thursday 19th of September in between 14H00 and 16H30 GMT

Best regards,
Christelle.

Christelle Girard
Head of Business Development & Relationship Management (Cash Equities & Listed Derivatives) – SA
T: + 33 (0) 1 70 37 67 94
M: + 33 (0) 7 87 35 32 34
lch.com

From: Stuart Bailey
Sent: Thursday, August 22, 2019 3:53 PM
To: Christelle.Girard@lch.com
Cc: Briggs, Nicholas <nick.briggs@bofa.com>
Subject: LCH SA's EURONEXT OPTIQ PHASE 3 derivatives migration and changes to LCH SA EOD files

Dear Christelle,

Was great to meet yourself and Agnes at the FIA's IDX week back in June, I hope you've had a good summer? Nick Briggs and I are writing on behalf of the FIA's Operations Committee regarding LCH SA's Euronext OPTIQ Phase 3 derivatives migration and changes to EOD files scheduled for rollout on 25 November 2019.

Committee members have raised the following concerns relating to the availability of test environments/files and the project timelines:

- There is not a confirmed timeline for when test data and UAT environments will be made available to clearing members and ISVs. We understand this will be in October, but the exact date is unclear.
- Concerns have been raised that the current LCH SA text files are complex, cannot be read/formatted manually and require pre-formatting into CSV prior to loading into automated reconciliation tools. This complicates clearing member/ISV development work.
- It has been suggested that firms should use Euronext's internal reports for testing, however the Ops Committee are not comfortable with this approach.

- Clearing members are still waiting for FIS to confirm if a CV upgrade is required. FIS has already confirmed they will not be ready to support the new MOC contract for the 25 November but they still need to verify if clearing members need an upgrade or if the current production version is compatible.
- More generally clearing members require a lead time of 3-months to rebuild/amend, test and release the new files based on the planned changes that have been communicated.

Given the above there are concerns around clearing member's ability to meet the 25th November deadline. If you could let us know when you are available for a call to discuss that would be much appreciated?

Best Regards,

Nick Briggs.
BofA and Chair FIA Europe Operations Committee.

Stuart Bailey.

<image001.png>

Stuart Bailey | VP, Clearing Policy and Operations

Level 28, One Canada Square,
Canary Wharf
London E14 5AB

Tel +44 (0)20.7519.1834
sbailey@fia.org

Global Reach. Regional Expertise.

Upcoming event:

FIA Forum: Frankfurt 2019
European Regulatory Developments
<https://fia.org/events/fia-forum-frankfurt-2019>

LCH's e-mail disclaimer can be found at:

<http://www.lch.com/disclaimer>

For further information on LCH's legal and regulatory structure, including regulatory approvals and licences please click

[here](#).

LCH Limited, Registered Office: Aldgate House, 33 Aldgate High Street, London EC3N 1EA.

LCH SA, Siège Social: 18 rue du Quatre Septembre, 75002 Paris.

LCH may collect, process and retain your personal information for its business purposes. For more information please see our [Privacy Policy](#).

LCH's e-mail disclaimer can be found at:

<http://www.lch.com/disclaimer>

For further information on LCH's legal and regulatory structure, including regulatory approvals and licences please click

[here](#).

LCH Limited, Registered Office: Aldgate House, 33 Aldgate High Street, London EC3N 1EA.

LCH SA, Siège Social: 18 rue du Quatre Septembre, 75002 Paris.

LCH may collect, process and retain your personal information for its business purposes. For more information please see our [Privacy Policy](#).