

Trade Clearing Process

Choose an Interoperable Clearer from a Group of Four CCPs

BATS Europe and Chi-X Europe were pioneers in bringing Interoperable Clearing to pan-European markets. This service is available to Participants to meet the demand for Central Counterparty (CCP) choice.

Pan-European market centres have traditionally chosen CCPs on behalf of their trading participants. But as a result of recent regulatory actions permitting CCP interoperability, a firm may now choose its CCP.

This innovative service allows Participants the choice of a clearer from an interoperating group of four CCPs: EMCF, EuroCCP, LCH.Clearnet and SIX x-clear. The interoperable group covers all pan-European markets with the exception of Spain and does not cover ETFs.

Participants will need to maintain clearing arrangements with any relevant CCP. Where a transaction occurs between two Participants, each leg of the transaction will be sent to the Participant's respective Interoperable CCP of choice. Clearing arrangements, either directly or via a General Clearing Participant (GCP), must be in place prior to trading.

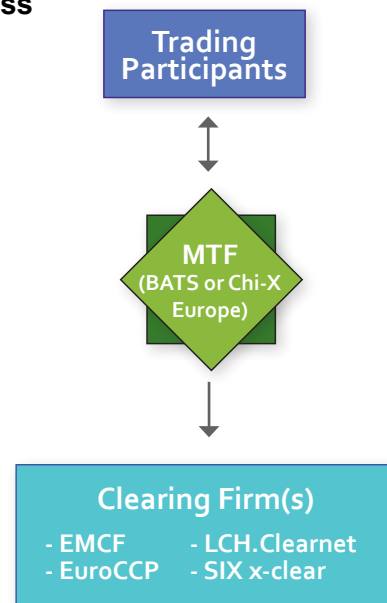
Refer to the diagram below for details on the process.

Trade Clearing Process

1. Participants sends order to the MTF.
2. The MTF matches buyers with sellers and reviews whether a CCP arrangement has been made.

The trade will be sent to the CCP(s) elected by each party to the trade.

3. The clearing firm(s) receive the message and reconcile the trade.



CCP elections may be made independently for different trading firms and for different listing markets.

For more information on Interoperable Clearing, please contact your Account Manager or visit the websites of the participating CCPs: EMCF, EuroCCP, LCH.Clearnet and SIX x-clear.

Contacts

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