

# CMS Enhancement – Real Time Concentration Limit Checks

We are pleased to communicate an enhancement in the Collateral Management System (CMS) scheduled for deployment on 11th March 2024. From this date, Clearing Members will be able to view the Collateral Headroom Limit in the security lodge screen.

The Collateral Headroom Limit is the maximum value of the ISIN that can be lodged, in accordance with the Non Cash concentration limits and the individual ISIN limits already in enforcement.

As a result of the change, members will be able to ensure their proposed lodge will not breach any non cash limits at the point of entry, resulting in a faster and more streamlined process for lodging non cash collateral. The benefits include increased transparency on the member's available headroom against the limits, and reduced rejections.

This file is to demonstrate step by step the new process for instructing a security lodge, and provide a visual representation of the updated screen

- 1. In the Security Lodge Screen of CMS, the Clearing Member inputs their mnemonic, sub account and ISIN. The Collateral Headroom Limit will calculate. Members can continue to complete the other fields in the screen whilst the calculation takes place.

# LCH

Home	Profile ▾	Collateral ▾	Cover Summary	Enquiries ▾
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### Lodge Security

* Mnemonic	ABC ▾	* Sub Account	H ▾ ?	ABC H ABC BANK LTD
* Beneficial Owner	Please Select ▾			
* ISIN	BE0000326356 ?	* Nominal Amount		
	BondBGB 4 03/28/32-66/0D/28/03/2032/4%			
	Currency EUR	Haircut	8.23 %	Collateral Value 0.00
	Price 112.192902	Paydown Factor	1	Convert to GBP ▾
* Trade Date	20/02/2024 📅	* Settlement Date	20/02/2024 📅	
* To Custodian Account	Please Select ▾			

Collateral Headroom Limit Calculating collateral headroom, please wait...

- 2. Once the calculation has completed, the Collateral Headroom Limit will display with the maximum value that can be lodged for the ISIN entered.

# LCH

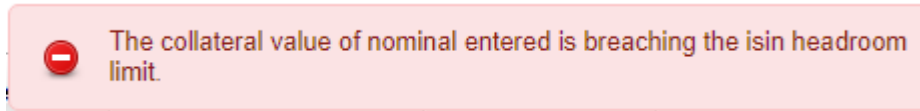
Home	Profile ▾	Collateral ▾	Cover Summary	Enquiries ▾
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* To Custodian Account	Please Select ▾			

Collateral Headroom Limit 2,399,408,680.72

3. The member can then complete the rest of the screen and submit the instruction. In the event that the nominal entered would cause a breach, an error message will display as below



4. At the second user authorisation step, the Collateral Headroom Limit will recalculate.

Security Instruction Details
✕

Lodge Security Instruction [Print](#)

<b>Instruction Reference</b>	SD2564405	<b>Sub Account</b>	H ABC H ABC BANK LTD
<b>Mnemonic</b>	ABC		
<b>Beneficial Owner</b>	Proprietary		

<b>ISIN</b>	BE0000326356	<b>Nominal Amount</b>	1,000,000.00
<b>Trade Date</b>	BondBGB 4 03/28/32-66/0D/28/03/2032/4% 20/02/2024	<b>Collateral Headroom Limit</b>	Calculating collateral headroom, please wait...
		<b>Collateral Value</b>	1,029,594.26
<b>Custodian Account</b>	Euroclear Bank 91205 Global Account	<b>Settlement Date</b>	20/02/2024

<b>Receive From</b>	EUROCLEAR - Euroclear Bank
<b>Delivering Agent ::DEAG/</b>	ECLR/
<b>Delivering Party ::SELL/</b>	BIC/

Authorise
Reject
Request Cancellation

5. The authoriser must wait for the calculation to complete before they are able to Authorise or Reject the instruction. It can only be authorised if the lodge is within the non cash collateral limits, an example of which is shown below

**Security Instruction Details** ✕

### Lodge Security Instruction

Print

<b>Instruction Reference</b>	SD2564405	<b>Sub Account</b>	H ABC H ABC BANK LTD
<b>Mnemonic</b>	ABC		
<b>Beneficial Owner</b>	Proprietary		

<b>ISIN</b>	BE0000326356	<b>Nominal Amount</b>	1,000,000.00
	BondBGB 4 03/28/32-66/0D/28/03/2032/4%	<b>Collateral Headroom Limit</b>	2,399,408,680.72
<b>Trade Date</b>	20/02/2024	<b>Collateral Value</b>	1,029,594.26
		<b>Settlement Date</b>	20/02/2024
<b>Custodian Account</b>	Euroclear Bank 91205 Global Account		

<b>Receive From</b>	EUROCLEAR - Euroclear Bank		
<b>Delivering Agent ::DEAG/</b>	ECLR/		
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Authorise
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