
Market Notice

11th november 2019
MN_13/2019

MIC: Closure of the MIC Guarantee System

To the Attention of: Treasuries
Priority: High
Topic: Closure of the MIC Guarantee System

Dear Customer,

hereby we wish to inform you that, following the communication by e-MID S.p.A. of the decision to close the activity from the 1st January 2020, the MIC Guarantee System of CC&G will no longer receive contracts relating to MIC and e-MID Repo market starting from the 2nd January 2020.

Consequently, CC&G has started the preliminary activities to manage the impacts on the Central Counterparty System and to close the MIC guarantee System.

Central Counterparty System

Regarding the activity of central counterparty the cessation of operations on the e-MID REPO market determines the loss of participation requirement in the guarantee scheme as per B.2.1.1 art. Paragraph 4 of the Regulation for Trading Client that operate solely on the e-MID REPO market. Consequently, in the absence of a recess communication by these parties, CC&G will than exclude them from the guarantee scheme starting from the 1st of January 2020 and will provide the restitution of the amounts previously deposited as Margins and Default Fund.



London
Stock Exchange Group

Market Notice

11th november 2019
MN_13/2019

The Impacts on the MIC Guarantee Scheme

With regards to the MIC Guarantee Scheme, the service will end with effective date 1st January 2020 with respects to all the participating parties, with the exception of those having the granted position with an expiration date over the 31th December 2019, for which the service will terminate at the beginning of the expiry date of the last guaranteed contract. After the end of the service, CC&G will provide the restitution of the collateral and the amounts corresponding of the MIC Default Funds contribution quote starting from the 2nd January 2020 following the final settlement of the operations in progress.

Lastly, while awaiting the closure of the service, an amendment to the annex of the MIC Guarantees Scheme in order to limit the type of securities that can be used as collateral only for government bonds.

The updated text of the attachments is available on the CC&G's Web Site www.lseg.com/CCG in the section **Products and Services – Asset Classes – MIC - Rules and Regulations - Annexes to Regulations MIC Guarantee System in force on 2 January 2020.**

For further information, please contact:

Post Trade Sales

Tel: +39.02.7242.6501

e-mail: pt.sales@lseg.com

Operations

Tel. +39.06.32395.321 / 303

e-mail: clearing.settlement@ccg.it



London
Stock Exchange Group