

Clearing Member Setup Guide Version 5.5.7

Core Calypso Version 15.1 July 2019 — Ninth Edition

This document describes the setup of Calypso in order to process clearing activity for clearing members on their behalf or on behalf of their clients.

Please refer to the Calypso Clearing Member User Guide for sample usage scenarios.

[NOTE: The Calypso License to use this Calypso Integration Module does not include a license for any third-party data services to which this module can interface. Clients are responsible for contracting with the appropriate third-party data service(s) prior to using this Calypso Integration Module]

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August 2017	Third edition for version 5.0.3 of Clearing Member module.
November 2017	Fourth edition for version 5.0.5 of Clearing Member Module.
January 2018	Fifth edition for version 5.1.0 of Clearing Member Module – Added trade classification CTM/STM.
March 2018	Sixth edition for version 5.2.0 of Clearing Member Module.
May 2018	Seventh edition for version 5.3.0 of Clearing Member Module.
October 2018	Eighth edition – Added HKEX clearing service.
July 2019	Ninth edition for version 5.5.7 of Clearing Member Module.

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Table of Contents

Section 1.	Installation6
Section 2.	Overview8
2.1	CCP and Service Coverage8
2.2	Intraday Processing
2.3	EOD Processing
2.4	Account Definition
2.5	Clearing Solution Flow
Section 3.	Before you Begin
3.1	Eligible Currencies
3.2	Pricing Environments
3.3	Data Uploader Setup
3.3.1	MQ Series Setup
3.3.2	Incoming Messages Setup
3.3.3	Trade Workflows
3.3.4	Calypso Engines
3.3.5	Task Station Configuration
3.4	Exchange Feed Setup
3.4.1	Property Files
3.4.2	Exchange Feed Bridge Engine Registration
3.4.3	Incoming Messages Setup
3.4.4	Task Station Configuration41
3.4.5	Data Mapping41
3.5	Clearing Member Setup
3.6	Collateral Setup
3.6.1	Collateral Workflow
3.6.2	Buffer Functionality
3.7	ERS Limits Setup
3.8	All Property Files and Resource Files
Section 4.	Legal Entities and Accounts Setup
4.1	Defining Books
4.1.1	Option 1 – A Book per Clearing Account
4.1.2	Option 2 – A Book per Legal Entity53
4.2	Defining the Clearing Houses (CCPs)
4.3	Defining the Agent Bank
4.4	Defining the Clearing Member
4.4.1	Clearing Member Legal Entity60
4.4.2	Clearing Member Accounts61
4.5	On-Boarding an Individual Client/Affiliate63
4.5.1	Onboarding Manager

4.5.2	Client Legal Entity	73
4.5.3	Client Accounts	74
4.6	Defining an Internal (House) Counterparty	79
4.7	On-Boarding an Omnibus Client	
4.7.1	Omnibus Client Legal Entity	
4.7.2	Child Client Legal Entities	
4.7.3	Omnibus Accounts	
Section 5.	Settlement and Delivery Instructions	84
5.1	CCP Settlement Instructions	
5.2	EMIR Segregated Accounts	86
5.3	Clearing Member Settlement Instructions	
5.4	Individual Client Settlement Instructions	
5.5	Omnibus Client Settlement Instructions	95
Section 6.	Margin Calls Setup	97
6.1	CCP Facing Contracts	
6.1.1	CCP Facing - Initial Margin Contracts	
6.1.2	CPP Facing - VM Margin Call Contracts (Optional)	102
6.2	Client Facing Contracts	103
6.2.1	Client Facing - Initial Margin Contracts	105
6.2.2	Variation Margin Contracts	106
6.3	Omnibus Client Contracts	109
6.4	Collateral Investment Program	109
6.4.1	Funds Definition	109
6.4.2	Margin Call Position Valuation Report	111
6.4.3	Accounts Definition	111
6.4.4	Collateral Investment	115
6.4.5	Haircut	116
6.4.6	Inclusion in the Sequestered Fund Report	119
6.4.7	Configuration for Investing in Treasury Bonds	119
6.4.8	Pledge the Bond at the CCP and Populate 8-B	122
Section 7.	ERS Limits	126
7.1	Trade Filters	126
7.2	Market Risk Hierarchy	126
7.3	Pre-Deal Limit Configuration	127
7.4	Limits Configuration	127
7.5	Limits Checking	128
Section 8.	Clearing Fees	131
8.1	Clearing Member Commissions and Execution Fees	131
8.1.1	Fee Definition	132
8.1.2	Fee Grids	132
8.1.3	Fee Configs	133

8.2	CCP Commissions and Maintenance Fees	134
8.2.1	Billing Grids	135
8.2.2	Billing Rules	137
8.2.3	Fee Configs	140
8.2.4	Billing Trades	143
8.3	Initial Margin Fees	146
8.3.1	Billing Grid	147
8.3.2	Fee Billing Rule	148
8.3.3	Fee Generation	149
8.4	Security Collateral Fees	151
8.4.1	Billing Grid	151
8.4.2	Fee Billing rule	152
8.4.3	Fee Generation	153
Section 9.	Message Configurations	.155
9.1	CONSENT Messages	155
9.1.1	Message Setup	155
9.1.2	Message Sender Config	156
9.2	CLEARING_STATEMENT Messages	157
9.2.1	Default Template	158
9.2.2	Defining a Template by Legal Entity	158
9.3	CVR_WORKSHEET Messages	159
9.4	BRIDGE_ACK Messages	162
9.4.1	Message Setup	162
9.4.2	Message Sender Config	163
9.4.3	Message Workflow	164
9.5	CVR_LE_DATA Messages	164
9.5.1	Message Setup	164
9.5.2	Message Workflow	164
9.6	CFTC_REPORTING Messages	165
Section 10.	Scheduled Tasks Setup	.166
10.1	Flow Types and Fees	166
10.2	Settlement Lag	167
10.3	Available Date	168
10.4	CDML Files Processing	170
10.4.3	1 Supported Files	170
10.4.2	2 CLEARING_TRANSLATE_TO_CDML	171
10.4.3	3 CLEARING_PROCESS_FROM_CDML	172
10.4.4	CLEARING_INTRADAY_MARGIN_REV	173
10.5	COLLATERAL_MANAGEMENT	173
10.6	CLEARING_SOD_MARGINCALL	175
10.7	CLEARING_INTRADAY_MARGIN	176

10.8	Intraday Settlement	177
10.8.1	Intraday Setup Requirements	177
10.8.2	2 Scheduled Task CLEARING_INTRADAY_SETTLEMENT	178
10.8.3	3 Intraday CDML Process	179
10.9	CLEARING_HOLIDAY_PROCESSING	181
10.10	CLEARING_IMPORT_MARKET_DATA	182
10.10.	.1 LCH PAI Quotes	182
10.10.	.1 LCH LDR Rates	182
10.10.	.1 LCH CDR Rates	182
10.10.	.2 LCH Bond Prices	183
10.10.	.3 CME FX NDF Rate Resets	183
10.10.	.4 LCH / Comder FX Spot Rates by Currency Pair	184
10.10.	.5 LCH / Comder NDF Fixing Rates	184
10.11	CLEARING_STATEMENT	185
10.12	Parent Clearing Statement	193
10.12.	.1 Domain Values	193
10.12.	.2 Workflow	194
10.12.	.3 Legal Entities	194
10.12.	.4 Margin Call Contracts	194
10.12.	.5 Settlement Instructions	195
10.12.	.6 Netting Method	197
10.12.	.7 Parent Statement	199
10.13	Scheduled Tasks Execution	200
Section 11.	Intraday Margin Calls to Clients	201
11.1	PL Mark Mapping	201
11.2	Configuration Requirements	202
11.2.1	Domain Values	202
11.2.2	2 Date Rule Setup	202
11.2.3	3 IM Margin Call Contract Setup	203
11.2.4	Collateral Contexts	204
11.2.5	5 Processing Org Attributes	206
11.2.6	5 Intraday Notification Message	207
11.3	Scheduled Tasks	208
Section 12.	Glossary	210
Section 13.	Default Management Process	211
13.1	Curves Mapping	211
13.2	Indices Mapping	211
13.3	Process	213

Section 1. Installation

The components of the Clearing Member module are installed as part of the Calypso Installer when you select the "Clearing Member" solution:

Setup - Calypso 15.1.0.11-SNAPSHOT						
Select Components Which components should be installed?						
Select the components you want to install; clear the components you do not want to install. Click						
🐨 📝 📩 Base Installation (software required for all installations, includes Navigator) 🮯						
🖨 🗤 🕼 Solutions (pre-packaged options for installing standard configurations) 🧕						
🔲 📩 Back Office (Additional interfaces and optional modules)						
🔲 📩 Cash FX Trading						
🔽 📩 Clearing Member						
🔽 📩 Collateral Management						
📝 💦 Enterprise Risk						
🔽 📩 Enterprise Limit Compliance						
🔲 📩 Front Office (Additional interfaces and optional modules)						
🔤 📩 Security Finance						

- Enterprise Risk
- Enterprise Limit Compliance (optional) Limits are checked once the trades are in Calypso.
- Collateral Management (optional) Allocation of margin calls (initial margins and variation margins).
- **Exchange Feed** Direct connection with the CCP through IBM MQ Series to transmit / receive trades and messages.
- Data Uploader Upload of trades and messages received by the Exchange Feed into Calypso.
- **CMF OTC Clearing** Back office processing Once the trades are validated/rejected in Calypso, a consent/reject message is sent to the CCP so that the trades can be cleared Import of initial margins, variation margins, market data, fees, etc. Generation of client statements.
- Margin Engine (optional) Computation of initial margins and variation margins.

Margin Calculators

(If using Margin Engine only)

In the "Common Third Party Libraries & Extension" window, add the Margin Calculator JARs. There is a JAR for each type of report: TYPED, TYPEE, TYPEH, TYPEJ:

- calypso-margin-calculation-typed-service-x.x.x.jar CME Swap (HistSim and OTCMargin reports)
- calypso-margin-calculation-typee-service-x.x.x.jar COMDER
- calypso-margin-calculation-typeh-service-x.x.x.jar LCH
- calypso-margin-calculation-typej-service-x.x.x.jar EUREX IM

Please contact Calypso Product Support for obtaining these JARS.

Please refer to the *Calypso Installation Guide* for details on the Calypso Installer.

If you are installing a CUP (Calypso Upgrade Package) instead, the instructions are also in the Calypso Installation Guide.

Database Upgrade

When you run Execute SQL as part of your installation, the data files will be already loaded.

Please refer to Calypso Collateral Management release notes for upgrade information, if any.

OTC Clearing and ETD clearing

You can use the system for OTC Clearing only, ETD Clearing only, or both.

If the system is used for OTC Clearing, you need to set the following domain value in domain "ProcessingConfig": Value = OTCClearing.IsActive, Comment = true

This allows setting the CCPOriginCode in the Account attributes.

For information on installing and setting up ETD Clearing, please refer to Calypso ETD Clearing documentation. If the system is used for ETD clearing, you need to set the following domain value in domain "ProcessingConfig": Value = ETDClearing.IsActive, Comment = true

This activates additional fields in the Fee Definition and Account Definition.

Section 2. Overview

Calypso's OTC derivatives clearing member solution combines Calypso's Back Office, Connectivity, Collateral and ERS Limits functionality to offer a complete solution for entities offering OTC clearing services to their internal trading desks as well as to external clients. The primary activities that the clearing member will be relying on Calypso for are:

- The use of connectivity and STP workflow to automatically accept or reject trades submitted for clearing by their customers,
- Management of cash and collateral related to the clearing activities, and
- Generating client statements for their customers to summarize the day's activity.

In order to support these activities, Calypso provides interfaces to Central Counterparties (CCPs) to allow the creation of trades to start them on their process to becoming a cleared trade in the client's account. These trades will flow into the system in real-time throughout the day. At the end of the day the CCPs will summarize all of the information about the trades, risk and positions related to each account managed by that clearing member, and Calypso provides the facility to run schedule tasks which import and process that information. The processing results in the generation of Calypso trade objects which will facilitate the settlement of cashflows and the management of Initial Margin Requirements.

The Collateral Management module will then take over to manage any Margin Calls resulting from the day's activity for each account. This includes not only cashflows related to the cleared trades, but payments made to or from each clearing account as part of routine business.

The end of day (EOD) processing will also save pricing marks for each trade based on the CCP's valuation, and will generate market data, such as curves and quotes, which can be used to value the positions using Calypso's native pricers. Again, all of this information is sourced from the EOD reports provided to the clearing member by the CCP.

As a last step, Calypso will aggregate all of the information stored in the system from the activity of each account, and generate a client statement which will be sent to the account holders as a record of their activity.

2.1 CCP and Service Coverage

Calypso's OTC derivatives clearing member solution includes "out-of-the-box" support for connectivity and integration with the following central counterparties:

- LCH SwapClear and SwapClear US integration:
 - Trade connectivity via SwapClear interface
 - Creation of mirrored trades enriched with keywords and fees
 - Import of EOD Reports for Market Data and Processing
 - Initial Margin calculation
- CME Clearing House and CME Clearing Europe integration:
 - Trade connectivity via MQ
 - Creation of mirrored trades enriched with keywords and fees
 - Import of EOD Reports for Market Data and Processing
 - Initial Margin calculation
- Processing of EOD Report in CDML format (Clearing Data Markup Language) for any CCP.

[NOTE: Calypso does not provide exchange translators to the CDML format out-of-the-box]

The concept provides a specification for the content and format of two file types, Trade Valuation and Initial Margin, into which the EOD Reports published by each CCP can be converted based on the business logic of their reports. This translation can be executed by a customer built translator, or any alternate method that our users want to employ.

Calypso's coverage for the services offered by the CCPs above is:

 LCH SwapClear and SwapClear US: All eligible products.

- Interest Rate Swaps: Vanilla, Basis, OIS, Zero Coupon, Variable Notional
- FRAs
- CME Clearing House:

All eligible IRS products.

- Interest Rate Swaps: Vanilla, OIS, Zero Coupon, Single currency basis swaps
- FRAs

FX NDFs

CME Clearing Europe:

All eligible IRS products.

- Interest Rate Swaps: Vanilla
- FRAs

Similar levels of support for other CCPs and services will be added as they become operational.

2.2 Intraday Processing

The trades are imported in real-time from the CCP. For each trade captured on the affirmation platform, two mirrored trades are created in Calypso:

- One to reflect the clearing member position at the CCP
- One to reflect the client / house position at the clearing member

The trades navigate the Calypso workflow based on their clearing status (cleared, rejected, request), using straight-through processing and exceptions monitoring. Once the trades are cleared, they update the accounts positions. Intraday commissions and periodic fees are computed on the trades.

The system allows generating intraday margin call trades as margin calls are made by LCH.

The system also supports CCP limit checks for pre-clearing.

2.3 EOD Processing

The key aspects of the EOD processing are as follows:

- Monitoring of house and client accounts
- Import and processing of CCP EOD files
- Management of settlement activity flowing from this processing
- Generation of Market Data based on EOD files
- Storage of trade level valuations based on Marks in EOD files
- Collateral Management process
- Regulatory reporting: Client Statements, CFTC Minimum Net Capital Requirement report, Sequestration Fund Requirement report, Collateral Value report (LSOC regulation)

At EOD, a number of files are imported from the CCP to update the client / house positions with the cashflows that are to be passed from the CCP to the clearing member, and ultimately to the Client or House entity. These cashflows include the PAI, Coupons, Fees, and Variation Margin.

Initial margin (IM) requirements are imported from EOD files into the system and stored as pricer measures on Collateral Exposure trades, based on Margin Call Contracts configurations. There is one Collateral Exposure trade per Margin Call Contract and currency. Through the Collateral Management process, Calypso generates Margin Call trades to transfer cash or collateral securities into and out of the client's accounts in order to maintain sufficient collateralization of their cleared positions. They are reported on the client statement, and based on the client's request, the margin calls can then be settled, paid in a different currency, or substituted to collateral securities.

Variation margins (VM) are represented by the cash positions of the cash client / house accounts. Margin calls to the variation margin requirements are computed through the Collateral Management process in cash, and occur when there is a negative balance in the client's cash account.

Clearing Member Positions at the CCP

For house activity, there is one Margin Call Contract per CCP and product type that handles IM between the clearing member and the CCP.

For client activity, there is one Margin Call Contract per CCP and product type that handles IM between the clearing member and the CCP.

The initial margins can be stored in the base currency of the Margin Call Contract, or in the native currency. Margin calls are computed in the corresponding currency, and can be substituted to collateral securities.

There is no variation margin requirement between the clearing member and the CCP.

Client Positions at the Clearing Member

Initial Margin

There is one IM Margin Call Contract per Client, CCP and product type.

The initial margins can be stored in the base currency of the Margin Call Contract, or in the native currency. Margin calls are computed in the corresponding currency, and can be substituted to collateral securities.

Variation Margin

The system supports storing variation margins in multiple currencies, or in a single currency, based on the client's choice.

 Multi-currency scenario – There is one VM Margin Call Contract per Client and per currency (regardless of CCP and product type).

In this case, there is one variation margin per currency, and the margin calls are computed per currency.

• Single-currency scenario – There is one VM Margin Call Contract per Client.

In this case, all variation margins are converted to the base currency of the Margin Call Contract. There is one variation margin in base currency, and the margin calls are computed in base currency.

The various scenarios, and their impact of the Collateral Management process and the client statement, are described in the *Calypso Clearing Member User Guide*.

2.4 Account Definition

The clearing member module supports the following types of accounts:

- House accounts for clearing member house activity
- Individual segregated client accounts (ISA) for individual client activity
- Omnibus segregated client accounts (OSA) for clients that provide clearing activity for their own individual clients

House Accounts

House accounts are created to monitor the clearing member's trading activity, and differ from client accounts primarily in the way that they are treated by the CCP and Regulators.



Each house account is represented by an internal counterparty, which is a legal entity of the trading group within the same corporate structure, and a set of Calypso accounts.

Trades are entered at the Internal Counterparty level, in the House book.

VM, PAI, Coupons, Upfront Payments, etc. are calculated by the CCP at trade level - They are reported and accounted in Calypso at the House Account level.

IM is calculated at the Internal Counterparty level.

- IM is settled between the CCP and the Clearing Member at the Clearing Member level across all house accounts
- IM is settled between the Clearing Member and the Internal Counterparty at the Internal Counterparty level

Individual Client Accounts



Each client account is represented by an external counterparty, and a set of Calypso accounts. An individual client may have multiple unique accounts. Each account is managed independently at the CCP.

Trades are entered at the Client level, in the Client book.

VM, PAI, Coupons, Upfront Payments, etc. are calculated by the CCP at trade level - They are reported and accounted in Calypso at the Client Account level.

IM is calculated at the Client level.

- IM is settled between the CCP and the Clearing Member at the Clearing Member level across all client accounts
- IM is settled between the Clearing Member and the Client at the Client level

Omnibus Client Accounts



The omnibus client provides clearing activity for its own individual clients.

Each omnibus client is represented by an external counterparty. Each individual client is represented by an external counterparty, which parent is the omnibus client, and a set of Calypso accounts.

Trades are entered at the Client level, in the Client book.

VM, PAI, Coupons, Upfront Payments, etc. are calculated by the CCP at trade level - They are reported and accounted in Calypso at the Client Account level.

IM is calculated at the Omnibus Client level.

- IM is settled between the CCP and the Clearing Member at the Clearing Member level
- IM is settled between the Clearing Member and the Omnibus Client at the Omnibus Client level

Multi Branch Account Structure

Generally, Fund manager opens multi branch account wherein trades are cleared in individual position account and VM and cash flows are calculated and reported at individual position account level and IM is calculated across all portfolio (position accounts) i.e. performance bond account level. So in clearing system user will need to define clearing account for both position and performance bond account level. Individual Funds (Legal Entity) will have parent entity as fund manager. As per example given above 5 Client statement will be generated i.e. fund manager (for IM) and individual funds level (for VM), also AMC will be calculated at parent entity level by considering total equity of all underlying clients.



Custodial Segregation Account Structure

Custodial Segregation is an extension to Individual Segregation Account. LCH.Clearnet has developed the Custodial Segregation (CustodialSeg) account (CSA) model in combination with end users of OTC derivatives (collectively, the 'Buy-side'), Clearing Members, Custodians and Central Securities Depositories to provide additional protection for the Buy-side beyond the requirements of EMIR 39.3 (Individual Segregated Account).

The CustodialSeg account segregates the Buy-side client's positions from those of all other clients, as well segregating the assets allocated for collateral, which remain under the beneficial ownership of the client. The account can be operated by the client's nominated custodian and minimizes transit risk associated with moving securities to and from SwapClear via the clearing member. In a clearing broker default, LCH.Clearnet cannot draw on the client's allocated assets to meet losses of any other clients and both positions and collateral can port to another clearing broker of the client's choice.

In order to maintain Clearing Member controls as may be considered towards a security financial collateral arrangement LCH.Clearnet has devised the model involving both pre-defined controls (e.g. affirmation type and eligibility sets) and event specific controls (e.g. manual affirmation of transaction amount and booking of transaction amount to the Clearing Member books).

LCH.Clearnet has enhanced the existing SWIFT MX Message Service for the purpose of Clearing Members who are seeking to automate event specific controls. As such LCH.Clearnet offers, with the SWIFT MX Message service, the ability for Members receive automated notification or client instructions directly into their own systems from CMS and the ability to Affirm or Reject these instructions without the need to sight verify and authorize the instruction manually in the CMS GUI. An accepted instruction from this service will continue its lifecycle in CMS as normal, starting from an initial status of 'Instructed'.

The service will permit a Member to receive and affirm or reject the following Collateral Proposals from the client in a single message: Triparty Collateral (Lodge, Amend and Close).

This entails:

- Support SIFWT MX colr.007 inbound to LCH, colr.008 and colr.006 LCH outbound messages in Back Office Module
- We need to generate Margin Call Trades facing to client and CCP for client of type CSA in clearing module



The scope of this feature is limited to NON-CASH COLLATERAL for LCH-IRD

FCM receives MT558 once they respond to original request sent by LCH on receipts of collateral allocation request from client through Custodian. MT 558 is sent for different status such as matched and settled collateral allocation by LCH.

FCM receives MT569 statement approximately 13 times a day only for CSA accounts with non-cash collateral nominal holding, market price.

According to LCH they do not send MT558 for substitution hence we cannot use this message for generation of Margin Call Trade.

The use of the MT535 messages provides Statement of Holding reports, sent daily for end of the prior day, allowing members to reconcile positions and valuations utilized for cover by the Clearing House. This information remains available within the CMS GUI.

Additionally, Members may request that LCH.Clearnet send the Statement of Holdings (MT535) messages for specific Individually Segregated Accounts (ISAs) directly to a third party such as the underlying Client, Asset Manager or Custodian acting on behalf of the Client

For Clearing Members who offer Custodial Seg accounts the MT569 Triparty Collateral and Exposure Statement, sent either intraday or end of day for the current business day, allows members to reconcile positions and valuations utilized for cover by the Clearing House in respect to securities pledged directly by clients. Clearing Member may also wish to receive status updates in respect to Custodial Seg triparty transaction activity intraday through the utilization of the MT558 Triparty Collateral Status and Processing Advice. Both sets of information remain available within the CMS GUI.



- 1. Custodial Seg is only supported for clients who choose ISA or Multi Branch ISA account structure
- 2. Import MT569 which will be sent by LCH periodically, store it as BO message object
- 3. Import Collateral Position from Block C1a lesser of :19A::COVA and :19A::TRAA which is reported Post Haircut
- **4.** Retrieve currency from tag :19A which is of 3 characters size after two front slash for e.g. :19A::COVA//GBP533000000,51 and :19A::TEXA//GBP533000000,
- 5. C1a block can be repetitive in case client gets transferred from one clearing broker to another clearing broker
- 6. Few FCM would be creating dummy BPD by currency which we need to retrieve based on matching bond denomination currency reported under tag 19A (transaction currency), and security code CLEARING_DUMMY_CUST_SEG=True. Client can on board themselves in either of USD, GBP or EUR currency
- **7.** Few FCM would end up creating Margin Call trade in actual BPD by looking at C1a1 block <u>(in next phase)</u>, so we will manage this through ST attribute to signify whether to look for actual bond based on ISIN based on tag 35R or dummy bond based on transaction currency mentioned in 19A of C1a block

Product (Code Window						
Name	Name CLEARING_DUMMY_CUS Type boolean						•
	🗌 Unique	I	Searc	hable	П М	andatory	
Product	Bond						
	Name	Type	Unique	Searchable	Mandatory	[Prov
	-	туре	Onique	Searchable	Manuatory		FIO
PREV_RED_	INDEX	string	false	false	false	CDSIndex	
NEXT_RED_	INDEX	string	false	false	false	CDSIndex	
RED_PAIR		string	false	false	false	Bond	
IsPreferred		boolean	false	false	false	Bond	
CLEARING	DUMMY_CUST_SEG	boolean	false	true	false	Bond	
•							F
Load	New	Delete	Save	e			Close

- Import Position Account ID from 95R::PTYB/LCHL/ which will give us IM Margin Call Contract ID, however it is <u>MUST</u> for SCM to make this specific request to LCH to populate Account ID in 95R while on boarding client.
- 9. Import Party mnemonic from 97B::SAFE which will be FirmID defined at PO LE attribute
- 10. Block C is further bifurcated into C1, C1a, C1a1

11. C1 provides information of non-cash collateral post haircut in EUR currency, C1a provides information of non-cash collateral post haircut in transaction currency which client can choose while on-boarding. LCH support EUR, GBP and USD as Transaction currencies, so client need to select one of the currency as transaction currency. C1a1 provides information ISIN level in non cash collateral denomination currency and also in transaction currency with FX rate for conversion.

Name	Type / Code 🔍	Calypso Mapping 🗸 👻
23G Function of the Message	4!c[/4!c]	
98a Date/Time	[01]	
22a Indicator	[1*]	
Collateral Parties (A1)	COLLPRTY	
16R Start of Block	COLLPRTY	
95a Party	[11]	
Party A [PTYA]	[11]	
Party A's client [CLPA]	[11]	
Triparty Agent [TRAG]	[11]	
97a Account	[01]	
Safekeeping Account [SAFE]	[01]	
97A	:4!c//35x	
Qualifier	:4!c/	
Account Number	/35x	
97B	:4!c/[8c]/4!c/35x	
Qualifier	:4!c/	
Data Source Scheme	[8c]	First 3 character for CCP short name
Account Type Code	/4!c/	PO attribute - search in LCHFirmld, CMEFirmld and EurexFirmld
Account Number	35x	
16S End of Block	COLLPRTY	
Linkages (A2)	LINK	
16R Start of Block	LINK	
13a Number Identification	[01]	
Linked Message [LINK]	[01]	
20C Reference	[11]	
Related Message Reference [RELA]	:4!c//16x	
Previous Message Reference [PREV]	:4!c//16x	
16S End of Block	LINK	
16S End of Block	GENL	
Overall Summary (B)	SUMM	
Summary by Exposure Type (C)	SUME	
16R Start of Block	SUME	
22a Indicator	[1*]	
19A Amount	[1*]	
92A Rate	:4!c//[N]15d	
25D Status	:4!c/[8c]/4!c	
Summary by Counterparty (C1)	SUMC	
16R Start of Block	SUMC	
13B Number	[0*]	
95a Party	[1*]	

Party B [PTYB]	[11]	
95P	:4!c//4!a2!a2!c[3!c]	
95Q	:4!c//4*35x	
95R	:4!c/8c/34x	Margin Call Contract PO: Based on Account Type Code Mapping to LE Margin Type: IM
Qualifier	:4!c/	
Data Source Scheme	8c/	
Proprietary Code	34x	
Triparty Agent [TRAG]	[01]	
19A Amount	[1*]	
92A Rate	:4!c//[N]15d	
25D Status	:4!c/[8c]/4!c	
Transaction Details (C1a)	TRANSDET	
16R Start of Block	TRANSDET	
20C Reference	[1*]	
98a Date/Time	[1*]	
Closing Date/Time [TERM]	[11]	
98A	:4!c//YYYYMMDD	
Qualifier	:4!c/	
Date	/YYYYMMDD	Margin Call Trade and Value Date
98B	:4!c/[8c]/4!c	
Qualifier	:4!c/	
Data Source Scheme	[8c]	
Date Code	/4!c	
Open Ended	OPEN	
98C	:4!c//YYYYMMDDHHMMSS	
Qualifier	:4!c/	
Date	/YYYYMMDD	
Time	HHMMSS	
Execution Requested Date/Time [EXRQ]	[11]	
98A	:4!c//YYYYMMDD	
Qualifier	:4!c/	
Date	/YYYYMMDD	
98B	:4!c/[8c]/4!c	
Qualifier	:4!c/	
Data Source Scheme	[8c]	
Date Code	/4!c	
Open Ended	OPEN	
98C	:4!c//YYYYMMDDHHMMSS	
Qualifier	:4!c/	
Date	/YYYYMMDD	
Time	HHMMSS	
19A Amount	[1*]	
Value of Collateral Held [COVA]	:4!c//[N]3!a15d	Margin Call Amount = Min(COVA,TRAA)

Following are details on MT569 message blocks:

- A General Block
- B Overall Summary
- C Summary of Exposure Type
- D Network Validation Rule

Custodial Segregation Setup Requirements:

- 1. Set environment property **CLEARING_TRIPARTY_ALLOCATION=true**.
- Create PO attribute ClearingDummyCustSegBond=True/False, default value is "True", True = create margin call in dummy bond
 - False = create margin call in underlying ISIN, this option out of scope for this phase
- 3. Create new workflow called "INCOMINGCUSTSEG" to transition MT569 message object



Orig Status	Action	Result Status	STP	WF Rule
NONE	NEW	PENDING		
PENDING	PROCESS	RECEIVED	Yes	
RECEIVED	TRANSLATE	TRANSLATED	Yes	TranslateSwiftToMarginCall
TRANSLATED	REPROCESS	TRANSLATED		TranslateSwiftToMarginCall
RECEIVED	CANCEL	CANCELED		
RECEIVED	REJECT	REJECTED		

4. Import MT569 using Import engine

Translate following fields from message to retrieve existing actual security position (if any) and to create Margin Call for the differences facing to LCH and Client. This processing should be done in TranslateSwiftToMarginCall WF rule on Message transition (Work Flow) so that if the need be user can reprocess stored MT569 message:

Block	Tag	Sample	Type/Code	Location	Description/Mapping	Acronym
A1	97B	{1:F01 LCHLGB2LXXX 0000000000}	[8c]	Biccode	Retrieve CCP (LE short name) info using LE Contact (Contact Type="SWIFT") where SWIFT code (<u>initial 8 characters</u>) matched with sender information. We need CCP for IM MCC Mapping through mccAdditionalField.CCP additional info.	CCP _{SAFE}

Block	Tag	Sample	Type/Code	Location	Description/Mapping	Acronym
A1	97B	97B::SAFE/LCHL /MNEM/AAA	/4!c/	LCH 3 character value after MNEM first front slash "/"	Mnemonic info for PO mapping through PO LE Attribute LCHFirmId	FIRMID _{MNEM}
A1	98E	:98E::PREP//201 50625172856/+ 0100	:4!c//YYYYMMD DHHMMSS[,3n] [/[N]HH[MM]]	first 8 characters which are in YYYYMMDD format post two front slash	Retrieve date for transaction and value date of non-cash collateral	DATEvaln
C1	95R	:95R::PTYB/LCH L/ <mark>GIG128</mark>	:4!c/8c/34x	Characters from LCHL/ i.e. second front slash "/"	ClientAccountId (matching to 86c) /position account id (short name) for mappin it with IM MCC through CCP_REFERENCE additional info	CCPREF _{PTYB}
C1a	20C	:20C::CLTR//CSI 000003	:4!c//16x	Characters from two front slash	Retrieve CLTR i.e. unique collateral transaction reference to store on MC trade keyword	EXTREF
C1a	19A	:19A::COVA//EU R776903618,59	3!a	3 character from second front slash "/"	Retrieve currency for booking non-cash collateral	TXNCCY
C1a	19A	:19A::COVA//EU R776903618,59	:4!c//[N]3!a15d	MIN(COVA,TRAA) Value post 3 character from second front slash "/"	Retrieve amount for booking non-cash collateral, this is post haircut number	COL _{COVA}
C1a	19A	:19A::TRAA//EU R776903618,59	3!a	3 character from second front slash "/"	Retrieve currency for booking non-cash collateral	TXNCCY
C1a	19A	:19A::TRAA//EU R776903618,59	:4!c//[N]3!a15d	MIN(COVA,TRAA) Value post 3 character from second front slash "/"	Retrieve amount for booking non-cash collateral, this is post haircut number	COLTRAA

5. To create margin call trade system retrieves following information:

Mapping Information	Source	Filters	Validation	Acronym
Non Cash Collateral	Bond Product Definition	 Bond Product Currency = Currency from 19A tag PRODUCT_CODE.CLEARING_DUMMY _CUST_SEG = True Bond Maturity Date >= Date from 98E tag 	If we retrieve two bonds for above combination then system should generate exception in task station saying "Multiple dummy bonds cannot persist for transaction currency of block C1a Tag 19A"	Bond _{TXNCCY}

Mapping Information	Source	Filters	Validation	Acronym
Client Facing IM MCC	Margin Call Contract	 Processing Org : PO LE based on LCHFirmID CCP_REFERENCE : ClientAccountId from 95R MARGIN_TYPE : "IM" 	If we could not retrieve IM MCC for above combination then system should generate exception in task station saying "No IM MCC available for <client 95r="" for=""> filter information Processing Org=<value>, CCP_REFERENCE=<v alue> and MARGIN_TYPE=<val ue>"</val </v </value></client>	MCC _{CLIENT}
CCP Facing IM MCC	Margin Call Contract	 Processing Org: PO LE based on LCHFirmID CCP_REFERENCE: Value form *CCPSegregationAccount (additional info from retrieved client facing IM MCC) post hyphen "-" value MARGIN_TYPE: "IM" LE: Value from 97B 	If we could not retrieve IM MCC for above combination then system should generate exception in task station saying "No IM MCC available facing to <ccp from<br="">97B> for filter information Processing Org=<value>, CCP_REFERENCE=<v alue>, MARGIN_TYPE=<val ue> and LE = <value>"</value></val </v </value></ccp>	MCC _{CCP}

CCPSegregationAccount: IM MCC additional info attribute is recently introduced as part of SOD requirement.

The purpose of adding CCPSegregationAccount additional info MCC attribute is to retrieve CCP facing contract and do 1 to many link based on type of account structures i.e. omnibus or individual segregated.

For information see below 86c:

CobDate	TradeMarginRun	MbrMnemonic	Account	ClientAccountId	ReportingCCY	ConversionExchangeRate	InitialMargin
7/30/2015	15231	HSW	ADOPT1DISA	GIG009	GBP	1	. 0
7/30/2015	15231	HSW	С	GIG010	GBP	1	-26410845.58
7/30/2015	15231	HSW	GIG019DISA	GIG019	GBP	1	. 0
7/30/2015	15231	HSW	GIG102DISA	GIG102	GBP	1	. 0
7/30/2015	15231	HSW	GIG126DISA	GIG126	GBP	1	. 0
7/30/2015	15231	HSW	GIG127DISA	GIG127	GBP	1	. 0
7/30/2015	15231	HSW	GIG128DISA	GIG128	GBP	1	. 0
7/30/2015	15231	HSW	GIG129DISA	GIG129	GBP	1	. 0
7/30/2015	15231	HSW	ADOPT1NOSA	HSWGIGANOSA1	GBP	1	-7244260.29
7/30/2015	15231	HSW	С	NETBBAYAMHSW	GBP	1	-6517277.13

MCC IM -> Client facing would have CCP_REFERENCE=HSWGIGANOSA1

MCC IM -> LCH facing would have CCP_REFERENCE=ADOPT1NOSA

Rep19 will show following information:

MCC IM -> Client facing would have ACCOUNT=0083/SWP-ADOPT1NOSA

Report Last Refreshed:

Α	В	С	D		E	F	G
Cobdate 💌	Scmmn 💌	Scmnar 💌	Account	Τ.,	Curren	Cashcovbalamt 💌	Cashcovbaltot 💌
7/31/2015 0:00	HSW	HSBC BAN	O083/SWP-ADOPT1NOSA		GBP	50157904857	50157904857
7/31/2015 0:00	HSW	HSBC BAN	O083/SWP-ADOPT1NOSA		GBP	50157904857	50157904857
7/31/2015 0:00	HSW	HSBC BAN	O083/SWP-ADOPT1NOSA		GBP	50157904857	50157904857
7/31/2015 0:00	HSW	HSBC BAN	O083/SWP-ADOPT1NOSA		GBP	50157904857	50157904857
7/31/2015 0:00	HSW	HSBC BAN	S081/SWP-ADOPT1DISA		GBP	50162188212	50162188212
7/31/2015 0:00	HSW	HSBC BAN	S081/SWP-ADOPT1DISA		GBP	50162188212	50162188212

Doc No - REP00019

LCH.Clearnet Limited Overnight Cover Distribution

Date	31/07/2015		
Member	HSW	HSBC BANK PLC	
Account	O083/SWP-ADOPT	T1NOSA	
Currency	GBP		
Cash Cover Balance :	CREDIT	50,157,904,857.08	50,157,904,857.08
Comm Group: LIABILIT SWP GBP US T Bo	Y: nds (USD)	-7,244,260. 7,244,260.	29 29
Liability Shortage GBP			0.00
Total Net Shortage of GBP			0.00
Overall Unutilised	Bonds (USD) Other Cash (GBP)	<u>Amou</u> 48,211,803,113. 50,157,904,857.	nt <u>Total</u> 77 28,420,638,904.33 08 50,157,904,857.08

Use following filters to calculate Margin Call Non-Cash Positions for IM:

Filter Criteria	Source	Default Value
Position Type		ACTUAL
Underlying Type		"Security"
ProcessingOrg	PO based on 97B MNEM	N/A
Valuation Date	Date based on 98A VALN	N/A
Collateral Context	PO Attribute EODCollateralContext	N/A
Additional Info CCP	CCP based on 97B SAFE	N/A
Additional Info MARGIN_TYPE		ІМ
PRODUCT_CODE.CLEARING_DUMMY_CUST_SEG		True

Filter Client Facing IM MCC: Calculate Sum(Value) by Currency and CCP_REFERENCE henceforth referred as COLVAL_{CLIENT}

Filter Criteria	Source	Default Value
Additional Info CCP_REFERENCE	CCP Reference Based on 95R facing to Client	N/A

Filter CCP I	Facing IM MCC:	Calculate Sum(Valu	e) by Currency	, CCP_R	REFERENCE and	CCP henceforth	referred as
COLVAL _{CCP}							

Filter Criteria	Source	Default Value
Additional Info CCP_REFERENCE	Value from ACCOUNT attribute post hyphen on IM MCC facing to client	N/A

Following fields are considered for generating Non Cash Collateral margin call trade facing to Client:

Column	Sample Data	Description
Action	NEW	"NEW"
ExternalRefId		
CounterPartyRole	Client	Orderer Role from MCC_{CLIENT} , If not set then it should be blank
Counterparty	CPTY_1	Client based on CCPREF _{PTYB}
OrdererRole	CounterParty	Set as "CounterParty" if Orderer Role is set on MCC_{CLIENT} else it should be blank
ProcessingOrg	CPTY_1	Set as CCPSAFE if Orderer Role is set on MCC_{CLIENT} else set as PO of FIRMID _{MNEM}
TransferType	SECURITY	"SECURITY"
TradeCurrency	GBP	TXNCCY
Quantity	4555	Min(COL _{TRAA} , COL _{COVA})-COLVAL _{CLIENT}
TradeDate	20150706	
SettlementDate	20150706	
TradeBook	PO1_CLIENT_CLEAR ING@CMF	Book from MCC _{CLIENT}
SalesPerson	NONE	"NONE"
ProductType	MarginCall	"MarginCall"
TradeDirection	Рау	'Pay' if Quantity is Negative. 'Receive' if Quantity is positive. DO NOT generate any margin call if quantity=0
CollateralType	SECURITY	"SECURITY"
ContractId	1601	Contract ID of MCC _{CLIENT}
SecCode	ISIN	ISIN
SecCodeValue	US3620ABHW95	Bond _{TXNCCY}

Column	Sample Data	Description
Price	99	Dummy Bond's Price based on QuoteUsage defined in Pricing Param Intraday Pricing Environment defined on of MCC_{CLIENT} . <i>This should be available</i> <i>through collateral API using intraday PE as a</i> <i>parameter</i>
Keyword.CCP	LCH	CCP _{SAFE}
Keyword.CCPSettlementType	ITD_CS	"ITD_CS"
Keyword.CCPAccountReference	LCHTEST88	CCP_REFERENCE Additional Info from <i>MCC</i> _{CLIENT}
Keyword.ClearingColTransRef	CSI000003	EXTREF, :20C::CLTR//CSI000003
Nominal		Calculated Value using collateral API, Qty * Face Value from Bond Product Definition
Accrual		Calculated Value using collateral API, based on IM MCC attribute USE_RAW_PRICE=True/False, Last coupon date - current date based on day count factor

Following fields are considered for generating Non Cash Collateral margin call trade facing to CCP:

Column	Sample Data	Description
Action	NEW	"NEW"
ExternalRefId		
CounterPartyRole	Client	Orderer Role from MCC _{CCP} , If not set then it should be blank
Counterparty	LCH	Client based on CCP _{SAFE}
OrdererRole	CounterParty	Set as "CounterParty" if Orderer Role is set on MCC_{CCP} else it should be blank
ProcessingOrg	LCH	Set as CCPSAFE if Orderer Role is set on MCC _{CCP} else set as PO of FIRMID _{MNEM}
TransferType	SECURITY	"SECURITY"
TradeCurrency	GBP	TXNCCY
Quantity	4555	Abs(COLVAL _{CCP}) - Min(COL _{TRAA} , COL _{COVA})
TradeDate	20150706	
SettlementDate	20150706	
TradeBook	PO1_CLIENT_CLEAR ING@CMF	Book from MCC _{CCP}
SalesPerson	NONE	"NONE"

Column	Sample Data	Description
ProductType	MarginCall	"MarginCall"
TradeDirection	Рау	'Receive' if Quantity is Negative. 'Pay' if Quantity is positive. DO NOT generate any margin call if quantity=0
CollateralType	SECURITY	"SECURITY"
ContractId	1601	Contract ID of MCC _{CCP}
SecCode	ISIN	ISIN
SecCodeValue	US3620ABHW95	BondTXNCCY
Price	99	Dummy Bond's Price based on QuoteUsage defined in Pricing Param Intraday Pricing Environment defined on of MCC _{CCP} . This should be available through collateral API using intraday PE as a parameter
Keyword.CCP	LCH	CCP _{SAFE}
Keyword.CCPSettlementType	ITD_CS	"ITD_CS"
Keyword.CCPAccountReference	LCHTEST88	CCP_REFERENCE Additional Info from MCC _{CCP}
Keyword.ClearingColTransRef	CSI000003	EXTREF, :20C::CLTR//CSI000003
Nominal		Calculated Value using collateral API, Qty * Face Value from Bond Product Definition
Accrual		Calculated Value using collateral API, based on IM MCC attribute USE_RAW_PRICE=True/False, Last coupon date - current date based on day count factor

Following are the scenarios for direction based on signs of Quantity:

Scenario1: Posted Collateral More than MT569						
Source	Client CCP Currency					
MT569	5000	5000	GBP			
МСР	10000	-10,000	GBP			
Movement	-5000	5000	GBP			
Direction	Рау	Receive				

Scenario2: Posted Collateral less than MT569						
Source	Client	ССР	Currency			
MT569	5000	5000	GBP			
МСР	2000	-2000	GBP			
Movement	3000	-3000	GBP			
Direction	Receive	Рау				

Scenario3: No Collateral Available to compare against MT569						
Source	Client	ССР	Currency			
MT569	5000	5000	GBP			
МСР	0	0	GBP			
Movement	5000	-5000	GBP			
Direction	Receive	Рау				

Scenario4: MCP Value matching with MT569 Post haircut amount								
Source Client CCP Currency								
MT569	5000	5000	GBP					
МСР	5000	-5000	GBP					
Movement	0	0	GBP					
Direction	No Call No Call							

2.5 Clearing Solution Flow



Steps Details

1	Client trades are captured in the Affirmation Platform and routed to Calypso through the CCP and Calypso Exchange Feed using Trade Event messages. The Calypso Exchange Feed transforms the messages into Upload Documents, and triggers the Calypso Data Uploader.
2	The Calypso Data Uploader creates mirrored trades in Calypso to reflect the clearing member position at the CCP, and the client position at the clearing member.

3	Limits are checked on the trades using ERS Limits.					
4	Once the trades are validated/rejected in Calypso, a consent/reject message is sent to the CCP so that the trades can be cleared, or rejected back to the executing broker.					
	Once the trades are cleared, they update the accounts positions.					
	Intraday commissions are computed on the trades. Periodic fees, rebates, and maintenance fees are invoiced to the clients.					
5	EOD – The CCP files are imported into Calypso using scheduled tasks.					
6	 The scheduled tasks perform the following: CDML files processing - You first need to store the files into the system using the scheduled task CLEARING_TRANSLATE_TO_CDML. Then you can process the files using the scheduled task CLEARING_PROCESS_FROM_CDML. The scheduled task CLEARING_PROCESS_FROM_CDML consumes the imported tradeValuationReport and initialMarginRreport CDML reports. A set of scheduled tasks allow importing market data: CLEARING_IMPORT_MARKET_DATA CLEARING_IMPORT_SCENARIO_SHIFTS COLLATERAL_MANAGEMENT computes cash margin calls on initial margins and variation margins. ERS_ANALYSIS kicks off the calculation and storage of the limits usage and availability. 					
7	Generation of the client statements using the scheduled task CLEARING_STATEMENT.					
8	Once the client receives the client statement, the client decides how to meet the margin calls computed by the COLLATERAL_MANAGEMENT scheduled task: in cash, securities, or both. The margin calls are modified accordingly using the Collateral Manager, and are settled as applicable.					

Section 3. Before you Begin

Before you begin, you need to define the following reference data.

3.1 Eligible Currencies

If you want to generate the Sequestered Report by currency, you need to define the eligible currencies for clearing.

The eligible currencies are defined using **Configuration > Definitions > Currency Defaults** from the Calypso Navigator.

Click **Attributes**, and set the attribute ClearingEligible = True.

	Currency Default Attributes Window EUR			
ſ				
	Name	Value		
	ClearingEligible	▼ True		

3.2 Pricing Environments

You need to create the following pricing environments, pricer configurations, quotes sets, and pricing parameter sets.

Pricing Env	FROMDB	CME_IM	CME_VM	LCH_IM	LCH_VM
Pricer Config	FROMDB	CME_IM	CME_VM	LCH_IM	LCH_VM
Quote Set	FROMDB	CME_IMReplication	default	LCH_IMReplication	default
Pricing Parameter Set	FROMDB	СМЕ	CME	LCH	LCH

The pricing environment FROMDB is used for back office activities, and CME_IM, CME_VM, LCH_IM, LCH_VM are used for ERS activities.

All pricing parameter sets listed above should have:

- USE_MARKS = true
- ADJUST_FX_RATE = false
- Pricing Parameter Set FROMDB: ZD_PRICING = false

Pricer configurations CME_IM, CME_VM, LCH_IM, LCH_VM:

- Swap product = PricerSwap
- FRA product = PricerFRA

[NOTE: The quote sets CME_IMReplication and LCH_IMReplication must be defined in the Data Mapping window for InterfaceName = CME/QuoteSet or LCH/QuoteSet, and Interface Value = IMReplication – See <u>Market Data</u> for details]

Pricer configuration FROMDB:

- Swap product = PricerFromDB
- FRA product = PricerFromDB

- FXNDF product = PricerClearingFromMarks (same as PricerFromDB, but it always uses the settlement ccy
 of a trade for loading marks).
- ClearingTransfer product = PricerFromDB
- CollateralExposure product = PricerCollateralExposure
- MarginCall = PricerFromDB

The pricing environment names in this documentation are only suggestions. Please feel free to assign names according to your business needs.

3.3 Data Uploader Setup

3.3.1 MQ Series Setup

Please refer to Calypso Data Uploader documentation for details.

3.3.2 Incoming Messages Setup

The Data Uploader creates GATEWAYMSG incoming messages into Calypso, and creates the trades.

By default, the system sets the message sender to CLIENT and the message RECEIVER to CALYPSO. If these entities do not exist as Legal Entities, the system will create them.

You can change those values as needed in the file "<calypso home>/client/resources/gatewayservice.properties".

Rename "<calypso home>/client/resources/gatewayservice.properties.sample" to "<calypso home>/client/resources/gatewayservice.properties" and modify as needed.

GatewayServiceClientName=CLIENT GatwayServiceHostName=CALYPSO

Message Workflow

You need to define a message workflow to handle these messages.

- EventClass: PSEventMessage
- Subtype: GATEWAYMSG
- Product: ALL

Orig Status	Action	Resulting Status	Different User	Use STP	Priority	Log	Subtype	Product Type	Rules
NONE	NEW	PENDING_VALID			0		GATEWAYMSG	ALL	
PENDING_TRADE	CANCEL	CANCELED			0		GATEWAYMSG	ALL	CancelCleanUp
PENDING_TRADE	LOAD	COMPLETED			0		GATEWAYMSG	ALL	CheckLink,Loader
PENDING_TRADE	REPROCESS	PENDING_TRADE			0		GATEWAYMSG	ALL	ReMap
PENDING_VALID	CANCEL	CANCELED			0		GATEWAYMSG	ALL	CancelCleanUp
PENDING_VALID	REPROCESS	PENDING_VALID			0		GATEWAYMSG	ALL	ReMap
PENDING_VALID	VALIDATE	PENDING_TRADE		V	0		GATEWAYMSG	ALL	CheckLink,Validate

[NOTE: Any status code change to this workflow needs to be recorded in the file "[calypso home>/client/resources/gatewayservice.properties"]

Gives list of BO Messages states that are used to link pending messages # These messages are blocked messages due to some validation error. BOMessageIncompleteStates=PENDING VALID, PENDING TRADE, BACKLOAD

3.3.3 Trade Workflows

Note that the trade workflows are set per processing organization.

The PO is the clearing member. For example, PO = CGM LLC.

ALL Product Types

Product Type = ALL

Orig Status	Action	Resulting Status	Use STP	Rules / Filter	Create Task
CLEARED	AMEND	VERIFIED	true	Rule AutomaticFees Filter CCPStatus-NOT-ALLEGED	true
CLEARED	UPDATE	CLEARED	false	Rule AutomaticFees	true
CLEARED	TERMINATE	TERMINATED	false	Rule AutomaticFees,UpdateTermination	false
CLEARED	ENRICH	VERIFIED	false	Rule AutomaticFees,CheckSDI Filter Cleared_On_OR_Before_Today	true
CONSENT GRANTED	UPDATE	CONSENT GRANTED	false		true
CONSENT GRANTED	ACCEPT	CREDIT_CONSENTED	false		true
CONSENT GRANTED	REFUSE	REJECTED	false		true
CONSENT GRANTED	STP-ACCEPT	CREDIT_CONSENTED	true		true
CONSENT REJECTED	REFUSE	REJECTED	false		true
CONSENT REJECTED	REJECT	REJECTED	false		true
CONSENT REJECTED	UPDATE	CONSENT REJECTED	false		false
CREDIT_CONSENTED	TERMINATE	TERMINATED	false	Rule UpdateTermination	false
CREDIT_CONSENTED	UPDATE	CREDIT_CONSENTED	false		false
CREDIT_CONSENTED	AMEND	CREDIT_CONSENTED	false		false
CREDIT_CONSENTED	REFUSE	REJECTED	false	Filter CCPStatus-NOT-CLEARED	false
CREDIT_CONSENTED	ACK	CLEARED	true	Filter CCPStatus-CLEARED	true
CREDIT_CONSENTED	CLEAR	CLEARED	false	Rule AutomaticFees	true
LIMIT_CHECK	ACCEPT	REQUIRES_CONSENT	false		false
LIMIT_CHECK	UNDO	PENDING	false		false
LIMIT_CHECK	CHECK_LIMIT	REQUIRES_CONSENT	true	Filter Limit-WhatIfCheckErrorN	true
LIMIT_CHECK	CANCEL	CANCELED	false		false
LIMIT_FAILED	REJECT	CONSENT REJECTED	false		true
LIMIT_FAILED	UPDATE	LIMIT_FAILED	false		false
LIMIT_FAILED	AMEND	LIMIT_FAILED	false		true
LIMIT_FAILED	RECHECK_LIMIT	PENDING	false		true
LIMIT_FAILED	ACCEPT	CONSENT GRANTED	false		true

Orig Status	Action	Resulting Status	Use STP	Rules / Filter	Create Task
LIMIT_FAILED	REFUSE	REJECTED	false		false
NONE	NEW	CLEARED	false	Rule AutomaticFees,ClearingLimitPortfolio	false
				Filter CCPStatus-NOT-ALLEGED	
NONE	NEW	PENDING	false	Rule AutomaticFees,ClearingLimitPortfolio	false
				Filter CCPStatus-ALLEGED	
PENDING	AMEND	VERIFIED	false	Rule CheckWhatIfLimits	true
PENDING	ACCEPT	CONSENT GRANTED	true		false
PENDING	WHATIF	LIMIT_CHECK	false	Rule CheckWhatIfLimits	true
REJECTED	UPDATE	REJECTED	false		false
REQUIRES_CONSENT	REJECT	CONSENT REJECTED	false		true
REQUIRES_CONSENT	STP-REJECT	LIMIT_FAILED	true	Filter Limit-WhatIFCheckPassN	true
REQUIRES_CONSENT	REJECT	LIMIT_FAILED	false	Filter Limit-IsViolated	true
REQUIRES_CONSENT	UPDATE	REQUIRES_CONSENT	false		true
REQUIRES_CONSENT	STP-ACCEPT	CONSENT GRANTED	true	Filter Limit-WhatIfCheckPass	true
REQUIRES_CONSENT	ACCEPT	CONSENT GRANTED	false		false
REQUIRES_CONSENT	REFUSE	REJECTED	false		true
TERMINATED	AMEND	TERMINATED	false	Rule AutomaticFees	false
TERMINATED	UPDATE	TERMINATED	false		false
VERIFIED	CANCEL	CANCELED	false		false
VERIFIED	TERMINATE	TERMINATED	false	Rule AutomaticFees,UpdateTermination	true
VERIFIED	MATURE	MATURED	false		false
VERIFIED	UPDATE	VERIFIED	false		true
VERIFIED	AMEND	VERIFIED	false	Rule AutomaticFees	false
VERIFIED	ACCEPT	CONSENT GRANTED	false		true
VERIFIED	REJECT	REJECTED	false		true

[NOTE: The transitions CREDIT_CONSENTED – ACK – CLEARED and LIMIT_CHECK – CHECK_LIMIT - REQUIRES_CONSENT must have "Generate Intermediate Event" checked to force the generation of a trade event so that the messages can be generated]

Filter CCPStatus-ALLEGED

💋 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)						
		1				
Name: CCPStatus-ALI	Iame: CCPStatus-ALLEGED			Simula		
Comment:			Pending			
Groups: ANY						
Attribute	Criteria		Filter	Value(s)		
KEYWORD.Status	⊤ IN	Add	ALLEGED			

Filter CCPStatus-NOT-ALLEGED

💋 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)						
Name: CCPStatus-NOT-ALLEGED		Attrib	utes	Simulate		
Comment:			Pending M			
Groups: ANY						
Attribute	Criteria		Filter	Value(s)		
IN Static Data Filter	▼ NOT_IN	Add	CCPStatus-A	LLEGED		

Filter Cleared_On_OR_Before_Today

🗾 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)						
Name: Cleared_	On_OR_Before_Today	Attributes	5	Simulate		
Comment:			Pending M			
Groups: ANY						
Attribute	Criteria		Filte	er Value(s)		
Cleared Date	TENOR_RANGE	Range	From -50	IY to OD		

Filter CCPStatus-CLEARED

	🗾 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)						
			-	1			
Name: CCPStatus-CLEARED		Attr	Attributes				
	Comment:				Pending		
	Groups: ANY						
	Attribute	Criteria		Filter V	'alue(s)		
K	EYWORD.Status	⊤ IN	Add	AMENDED, CLE	ARED		

Filter CCPStatus-NOT-CLEARED

🗾 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)					
Name: CCPStatus-NOT-CLEARED		Attributes		Simulate	
Comment:			Pending M		
Groups: ANY					
Attribute	Criteria		Filter	Value(s)	
IN Static Data Filter	▼ NOT_IN	Add	CCPStatus-C	LEARED	

Filter Limit-WhatIfCheckErrorY

💋 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)					
Name: Limit-WhatIfCheckErrorY	Attribut	es	Simulate		
			·		
Comment:			Pending Modi		
Groups: ANY					
Attribute	Criteria		Filter Value(s)		
KEYWORD.LIMIT_WHATIF_CHECK_ERROR	- IN	Add	Y		

Filter Limit-WhatIfCheckErrorN

🗾 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)					
		-			
Name: Limit-WhatIfCheckErrorN		Att	ributes	Simulate	
Comment:				Pending Mo	
Groups: ANY					
Attribute	Criteria		Filter \	/alue(s)	
IN Static Data Filter	▼ NOT_IN	Add	Limit-WhatIfCh	eckErrorY	

Filter Limit-WhatIFCheckPass

🗾 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)					
			1 .		
Name: Limit-WhatIfCheckPass	Attribu	ites	Simulate		
Comment:			Pending Moc		
Groups: ANY					
Attribute	Criteria		Filter Value(s)		
KEYWORD.LIMIT_WHATIF_CHECK_PASS	⊤ IN	Add	Y		

Filter Limit-WhatIFCheckPassN

🗾 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)						
Name: Limit-WhatIFCheckPassN	Attribute:	Simulate				
Comment:			Pending Modi			
Groups: ANY						
Attribute	Criteria		Filter Value(s)			
KEYWORD.LIMIT_WHATIF_CHECK_ERROR	▼ NOT_IN	Add	Y			
KEYWORD.LIMIT_WHATIF_CHECK_PASS	▼ IN	Add	N			

Filter Limit-IsViolated

💋 Static Data Filter Window [1300075P2/CLEARING_29/] (User: slee)							
Nam	e: Limit-IsViolated		At	ttributes		Simulate	
Commer	it:					Pending Ma	
Group	s: ANY						
	Attribute	Crib	eria		F	ilter Value(s)	
KEYWORI	.LIMIT_IN_VIOLATION	⊤ IN		Add	Y		

Clearing Transfer

Orig Status	Action	Resulting Status	STP	Product Type	Rules
CANCELED	AMEND	CANCELED	false	ClearingTransfer	
NONE	NEW	PENDING	false	ClearingTransfer	
PENDING	AUTHORIZE	VERIFIED	true	ClearingTransfer	CheckSDI
PENDING	CANCEL	CANCELED	false	ClearingTransfer	
VERIFIED	AMEND	VERIFIED	false	ClearingTransfer	
VERIFIED	CANCEL	CANCELED	false	ClearingTransfer	

Collateral Exposure

Orig Status	Action	Resulting Status	Use STP	Product Type	Rules	Create Task
NONE	NEW	VERIFIED	false	CollateralExposure		false
VERIFIED	CANCEL	CANCELED	false	CollateralExposure		false
VERIFIED	AMEND	VERIFIED	false	CollateralExposure		false

Interest Bearing

Orig Status	Action	Resulting Status	Use STP	Product Type	Rules	Create Task	Gen Int. Event
CLEARED	AMEND	VERIFIED	false	InterestBearing		false	true
NONE	NEW	VERIFIED	true	InterestBearing		false	true
VERIFIED	AMEND	VERIFIED	false	InterestBearing		false	true

Orig Status	Action	Resulting Status	Use STP	Product Type	Rules	Create Task	Gen Int. Event
VERIFIED	CANCEL	CANCELED	false	InterestBearing		false	true

Margin Call

Orig Status	Action	Resulting Status	Use STP	Product Type	Rules	Create Task
NONE	NEW	PENDING	false	MarginCall	UpdateClearingMarginCallKeywords	true
PENDING	AUTHORIZE	VERIFIED	true	MarginCall	CheckSDI	true
VERIFIED	AMEND	VERIFIED	false	MarginCall		true
VERIFIED	CANCEL	CANCELED	false	MarginCall		true

The rule UpdateClearingMarginCallKeywords allows propagating the fields defined in the domain "Clearing.MCC.propagateFields", from the margin call contract additional info to the margin call trades.

If the domain "Clearing.MCC.propagateFields" is empty, the fields CCP, CCP_ORIGIN_CODE, MARGIN_TYPE and PRODUCT_TYPE are propagated by default.

3.3.4 Calypso Engines

The Import Message engine and Sender engine use "<calypso home>/client/resources/calypso_uploader_config.properties" to connect to the input and output queues of MQ Series.

You should run these engines after the full clearing member setup is completed (legal entities, message configuration, etc.).

Version 14.0+

Make sure that the following engines are configured in "<calypso home>/deploy/EngineStartupConfig.properties":

```
engines.startup=TransferEngine,MessageEngine,InventoryEngine,AccountingEngine,Liquidat
ionEngine,PositionEngine,TaskEngine,LifeCycleEngine,UploaderImportMessageEngine,Upload
erSenderEngine
```

```
#UploaderImportMessage Engine
UploaderImportMessageEngine.class=com.calypso.tk.engine.UploadImportMessageEngine
UploaderImportMessageEngine.name=UploaderImportMessageEngine
UploaderImportMessageEngine.param.count=1
UploaderImportMessageEngine.param.l=config
UploaderImportMessageEngine.param.value.1=Uploader
# Uploader Sender Engine
```

```
UploaderSenderEngine.class=com.calypso.engine.advice.SenderEngine
UploaderSenderEngine.name=Uploader Sender Engine
UploaderSenderEngine.param.count=1
UploaderSenderEngine.param.1=config
UploaderSenderEngine.param.value.1=Uploader
```

You can then start the Import Message engine and Sender engine as part of the Engine server using "<calypso home>/startEngineserver.bat" on Windows platforms, or "<calypso home>/startEngineserver.sh" on *nix platforms.

Version 14.1+

The Import Message engine and the Sender engine are configured in the Engine Manager of Web Admin: event subscription and engine parameters.

You may need to add these engines if they are not available for configuration:

 For the Import Message engine, create a new engine called UploaderImportMessageEngine, with class name com.calypso.tk.engine.UploadImportMessageEngine
 Engine parameter configuration does

Engine parameter config=Uploader

• For the Sender engine, create a new engine called UploaderSenderEngine, with class name com.calypso.engine.advice.SenderEngine

The Import Message engine and the Sender engine can be started from the Engine Manager in Web Admin.

Please refer to Calypso Web Admin documentation for complete details.

The Import Message engine is now listening to messages from the MQ input queue.

The Sender engine is now sending messages to the MQ output queue.

If you want to run another Import Message engine with "-config LCH_1" for example, you would need to:

- Create the following classes: LCH_1Message.java
 LCH_1MessageHandler.java
 LCH_1IEAdapter.java
 LCH_1IEAdapterConfig.java
 Contact Calypso Support for sample classes.
- Create a file LCH_lbridge_config.properties with the appropriate MQ connection information. *If* the details in LCHbridgeservice.properties cannot be used for this second queue, you need to create LCH_lbridgeservice.properties.

Then you need to add an entry for the LCH_1 Import Message engine to "<calypso home>/deploy/EngineStartupConfig.properties" as described above.

Please note that the queue ***must*** have the LCH (or CME) prefix for this process to work.

3.3.5 Task Station Configuration

You can view EX_GATEWAY exceptions in the Task Station for exceptions related to the integration of GATEWAYMSG messages.

You can also view GATEWAYMSG messages using <status code>_GATEWAYMSG.

3.4 Exchange Feed Setup

3.4.1 Property Files

The Exchange Feed module requires the configuration of the following property files:

- <calypso home>/client/resources/CMEbridgeservice.properties and <calypso home>/client/resources/LCHbridgeservice.properties
- <calypso home>/client/resources/ErrorCodeBundleExchangeFeed.properties
- <calypso home>/client/resources/Core.DataServer.serviceconfig.xml
<calypso home>/client/resources/CMEbridge_config.properties and <calypso home>/client/resources/LCHbridge config.properties

"CMEbridgeservice.properties" and "LCHbridgeservice.properties"

You need to set the following properties:

- bridge.counterparty.attribute.identifier Counterparty attribute that stores the counterparty.
- bridge.book.attribute.identifier Book attribute that stores the book.
- BridgeMessageDefaultSender Default message sender = CME or LCH
- BridgeMessageDefaultReceiver Default message receiver (clearing member PO)
- <MESSAGE_TYPE>_<PRODUCT>_BRIDGE_XSLT To override default product specific XSLT invoked within TransformBridgeMessageRule (optional)
- <MESSAGE_TYPE>_<PRODUCT>_BRIDGE_XSLT_CLASS To override default product XSLT java class used for transformation invoked within TransformBridgeMessageRule (optional)
- file.bridge.log.directory -Directory for all original messages for logging purpose.
- ThreadPoolSize Number of threads
- ValidatorFiles Set of XSLT files which are used to validate if the incoming message can be handled by the engine.

Sample "CMEbridgeservice.properties"

```
REQUESTCONSENT_SWAP_BRIDGE_XSLT=
CLEARINGCONFIRMED_SWAP_BRIDGE_XSLT=
REQUESTCONSENT_SWAP_BRIDGE_XSLT_CLASS=
CLEARINGCONFIRMED_SWAP_BRIDGE_XSLT_CLASS=
bridge.counterparty.attribute.identifier=CME_CPTY
bridge.book.attribute.identifier=CME_ACCOUNT
file.bridge.log.directory=/mnt/presales/logs/clearing/cme
BridgeMessageDefaultSender=CME
BridgeMessageDefaultReceiver=CGM_LLC
ThreadPoolSize=5
ValidatorFiles=exchange_feed_cme_clearing_confirmed_check_fpm15.0.xslt,exchange_feed_c
me_request_consent_check_fpm15.0.xslt,exchange_feed_cme_clearing_refused_check_fpm15.0
.xslt
```

"ErrorCodeBundleExchangeFeed.properties"

This file is used to define Exchange Feed module specific exception IDs and message content mapping.

Please note that this is an extension of "ErrorCodeBundle.properties". The system requires both property files.

This file contains the following information:

```
#Exchange Feed Msg override datauploader
EF_10014=Channel is not running
EF_10015=Cannot parse file
EF_10016=Cannot read file
EF_10017=Cannot find gateway message with linked ID
EF_10018=Invalid trade id in gateway message
EF_10019=Cannot find trade
EF_10020=Missing values from clearing status
EF_10021=More than 1 trade found for external reference
EF_10022=No Previous BridgeMessage Found
EF_10023=Trade Not Found
EF_10024=Invalid Interest Compounding Method
EF_10025=Invalid Interest Compounding Frequency
```

```
EF_10026=No prefered FX Rate definition found
EF_10027=Trade Source not found in Trade Keyword
EF_10028=Domain value not found
EF_10029=No Trade found with Correlation ID provided
#Error Types
EF_23000=MQ Exception
EF_21002=Miss Data for Transform
#Exchange Feed Error Msg
EF_50001=Invalid FPML Message
EF_50002=Folder Not Exist
EF_50003=ExchangeFeedBridgeEngine is not registered
EF_50004=Missing FeedConfigType in message
EF_50005=Message Handling failure
#Exchange Feed Field
```

EF_00001=External Reference

"Core.DataServer.serviceconfig.xml"

Add the following lines to register the RMI Server in the Data Server:

```
<bean id="baseDataUploadServer" class="com.calypso.tk.service.DataUploadServerImpl">
</bean>
<bean id="rmiBaseDataUploadServer" parent="rmiServiceExporter">
    property name="service" ref="baseDataUploadServer" />
    <meta key="serviceInterface" value="com.calypso.tk.service.RemoteDataUpload" />
</bean>
```

"CMEbridge_config.properties" and "LCHbridge_config.properties"

These files are required by MQ Series as a channel for incoming and outgoing messages.

The Import Message engine reads the data from the file to establish connection to the MQ to retrieve/send data from/to the queue.

- jms.modetypeclass Factory class in the JNDI service provider
- jms.url JNDI directory where the MQ binding files reside
- jms.queue.connectionFactory JMS Connection factory name is set under the MQ server setup
- jms.channels MQ channel to be monitored
- monitor.frequency Monitoring intervals
- input.queue.name JMS Queue name is bound to the MQ queue for incoming messages from
- output.queue.name JMS Queue name is bound to the MQ queue for outgoing messages

Sample "CMEbridge config.properties"

```
# JMS properties file
#
jms.modetypeclass=com.sun.jndi.fscontext.RefFSContextFactory
jms.url=file:/c:/calypso/software/JNDI-Directory
jms.queue.connectionFactory=CME_MATCHING.CF
#indicate that messages will be sent to a JMS WebSphere MQ client
jms.sender.queue.targetClient=MQJMS_CLIENT_NONJMS_MQ
jms.receiver.queue.targetClient=MQJMS_CLIENT_NONJMS_MQ
jms.channels=T0.CALYPS0, CME.T0.CALYPS02
# monitor for the queue channel listed above, in terms of second
monitor.frequency = 60
```

```
input.queue.name=JQUEUE.CME.CALYPSO
JQUEUE.CME.CALYPSO.queue.ackType=auto
JQUEUE.CME.CALYPSO.queue.persist=false
JQUEUE.CME.CALYPSO.queue.transacted=false
```

output.queue.name=JQUEUE.CALYPSO.CME JQUEUE.CALYPSO.CME.queue.ackType=auto JQUEUE.CALYPSO.CME.queue.persist=false JQUEUE.CALYPSO.CME.queue.transacted=false

Sample "LCHbridge_config.properties"

```
# JMS properties file
#
jms.modetypeclass=com.sun.jndi.fscontext.RefFSContextFactory
jms.url=file:/c:/calypso/software/JNDI-Directory
jms.queue.connectionFactory=LCH_MATCHING.CF
monitor.frequency = 60
```

input.queue.name=JQUEUE.LCH.CALYPSO
JQUEUE.LCH.CALYPSO.queue.ackType=auto
JQUEUE.LCH.CALYPSO.queue.persist=false
JQUEUE.LCH.CALYPSO.queue.transacted=false

```
output.queue.name=JQUEUE.CALYPSO.LCH
JQUEUE.CALYPSO.LCH.queue.ackType=auto
JQUEUE.CALYPSO.LCH.queue.persist=false
JQUEUE.CALYPSO.LCH.queue.transacted=false
```

3.4.2 Exchange Feed Bridge Engine Registration

Version 14.0+

Add ExchangeFeedBridgeEngine to the Engine configuration using **Configuration > System > Engine Config** from the Calypso Navigator.

Configure ExchangeFeedBridgeEngine to subscribe to PSEventMessage using **Configuration > System > Event** from the Calypso Navigator.

Add the event filter BridgeMessageEventFilter to ExchangeFeedBridgeEngine.

This event filter takes the selection criteria from the static data filter "BridgeMessageEventFilter". It should be defined as:

Static Data Filter Window [1400225P2/CLEARING_ETD/calypso_user]						
Name: BridgeMess	ageEventFilter			Attributes	Simula	
Comment: SD filter for	^r BridgeImportMessaq		Pending			
Groups: WF_Messa	ge					
Attribute	Criteria			Filter Value(s)		
Message Action VIN Add AMEND, NEW, REDO, REPROCESS, TRANSFORM, MATCH						
Message Status IN Add TRANSFORMED, COMPLETED						
Message Type TIN Add BRIDGEMSG						

The ExchangeFeedBridge engine is configured in the Engine Manager of Web Admin: event subscription and engine parameters.

You may need to add this engine if it is not available for configuration: Create a new engine called ExchangeFeedBridgeEngine, with class name com.calypso.tk.engine.ExchangeFeedBridgeEngine.

3.4.3 Incoming Messages Setup

The Exchange Feed processes CONSENT messages and BRIDGEMSG messages. It transforms BRIDGEMSG messages into Calypso Upload Document objects through the TransformBridge rule. The Exchange Feed Bridge engine generates the GATEWAYMSG messages that trigger the Data Uploader to create trades in Calypso based on the Calypso Upload Document objects.

BRIDGEMSG Message Workflow

This workflow can be imported using the file "<calypso home>/client/resources/workflow/BRIDGEMSG.wf".

If you are clearing with LCH, this workflow should be imported using the file "<calypso home>/client/resources/BRIDGEMSG_FOR_CVR.wf" instead. It adds the transition highlighted below for managing incoming collateralAllocation messages.

Orig Status	Action	Resulting Status	STP	Rules	Comments
COMPLETED	REDO	PENDING	false	RedoBridge	
COMPLETED	AMEND	COMPLETED	false		
NONE	NEW	PENDING	false		
PENDING	TRANSFORM	TRANSFORMED	true	TransformBridge	Swap_BRIDGE_XSLT= SWAP_DEFAULT.xslt
PENDING	LOAD	COMPLETED	false	TransformBridge	Swap_BRIDGE_XSLT= SWAP_DEFAULT.xslt
PENDING	CANCEL	CANCELED	false		
PENDING	МАТСН	COMPLETED	true	MatchCollateralAllocationResponse Filter: isLCHCVRMessage	
TRANSFORMED	REDO	PENDING	false	RedoBridge	
TRANSFORMED	LOAD	COMPLETED	false	MergeTradeId	
TRANSFORMED	CANCEL	CANCELED	false		

Static data filter "isLCHCVRMessage":

🛓 Static Da	ata Filter Window [14	10022SP2/L	APTO	P_REL14/cal	ypso_use	er]
Name:	isLCHCVRMessage		E A	Attributes		Simulate
Comment:	Comment: Accepts LCHCVR messages only					Pending M
Groups:	ANY					
Attribute		Criteria		F	ilter Value	e(s)
MSG_ATTRI	⊤ IN	0	Add LC	HCVR		

CONSENT Message Workflow

This workflow can be imported using the file "<calypso home>/client/resources/workflow/CONSENT.wf".

Orig Status	Action	Resulting Status	STP	Message Type	Rules
NONE	NEW	PENDING	false	CONSENT	
PENDING	AUTHORIZE	TO_BE_SENT	true	CONSENT	CheckContact
TO_BE_SENT	SEND	SENT	true	CONSENT	

3.4.4 Task Station Configuration

You can view EX_BRIDGE exceptions in the Task Station for exceptions related to the integration of BRIDGE messages.

You can also view BRIDGEMSG messages using <status code>_BRIDGEMSG.

3.4.5 Data Mapping

Add the Calypso Mapping Window to the Calypso menu (menu action mapping.CalypsoMappingWindow), so that you can define mapping values between the CCPs and Calypso.

Mapping values are provided out-of-the-box, and need to be reviewed / validated for the interface names "CME", "ExchangeFeed.CME", "ExchangeFeed.LCH", and "LCH".

Zalypso Mapping Window							
Interface Mappings	<						
⊡… InterfaceName ⊡… III CME	Name:	CME					
ExchangeFeed.CME	Interface Value:						
	Calypso Value:						
	Reverse Default:						

To audit changes to the Data Mapping, add CalypsoMapping to the domain "classAuditMode".

Important Note:

Make sure that the overnight reference indices defined in Calypso (EONIA, FEDFUNDS, etc.) have the reference index attribute IndexCalculator = OISNew.

Trade Keywords

A set of trade keywords allow standardizing the Clearing solution.

It is possible to map a keyword name/value to another one by setting the mapping through the Calypso Mapping Window.



Clearing Keywords

Trade Keywords	Description		
ССР	Clearing house: CME, LCH, etc.		
	Short name of the clearing house legal entity.		
CCPAccountReference	Clearing house account name - SDI selection is based on this trade keyword, which value must match the "ExternalName" of the Calypso client/house account.		
CCPBlockTradeID	Block trade ID.		
CCPClearedDate	Date that the trade is processed by the clearing house.		
CCPCollateralPolicy	Collateral Policy that overrides the collateral policy of the Margin Call Agreement associated with the trade.		
	Collateral policies are defined in the domain "CollateralPolicy". They are used to select discount curves through the Pricer Configuration provided the pricing parameter COLLATERALIZED_PRICING is set to On.		
CCPFirmReference	Clearing Member Firm identifier.		
CCPMessageTimestamp	Message timestamp.		
CCPOriginCode	Set to either HOUSE or CLIENT to reflect house activity or client activity.		
CCPTradeID	Trade ID assigned by the clearing house. It is also set on the trade's External Reference.		
ClearingConfirmedCorrelationID	LCH trade confirmation number.		

Trade Keywords	Description
ClearingConfirmedIncomingMessageID	LCH message confirmation number.
ClearingConfirmedSentBy	LCH confirmation sender reference.
ClearingConfirmedSentTo	LCH confirmation receiver reference.
client_trade_id	Trade ID provided by the client.
CMFAccountReference	Set by the system when a trade is created: ID of the Calypso clearing account.
IS_CLIENT	Set to "false" for HOUSE trades and clearing member mirror trades. Set to true for client mirror trades.
LIMIT_WHATIF_CHECK_PASS	Y if the limits check passed, or N otherwise.
LIMIT_WHATIF_LIMIT_MAX	Limit amount.
LIMIT_WHATIF_PORTFOLIO	ERS Limits portfolio.
LIMIT_WHATIF_RISK_USAGE	Trade amount contributing to the limit check.
PlatformTradeID	Trade ID assigned by the platform where the trade is captured (Markitwire for example).
Status	Trade status at the clearing house.
TradeSource	Platform where the trade is captured (Markitwire for example).
USUPrefix	Unique swap identifier - CFTC namespace.
USIValue	Unique swap identifier – trade ID.

Mirror Keywords

The following trade keywords need to be propagated on the mirror trades.

They need to be added to the domain "MirrorKeywords": CCP, CCPAccountReference, CCPClearedDate, CCPOriginCode, CCPSettlementType, CCPTradeID, LIMIT_WHATIF_CHECK_ERROR, LIMIT_WHATIF_CHECK_ERROR_MSG, LIMIT_WHATIF_CHECK_PASS, LIMIT_WHATIF_LIMIT_MAX, LIMIT_WHATIF_PORTFOLIO, LIMIT_WHATIF_RISK_USAGE, PlatformTradeID, RelatedProductType, Status, USIPrefix, USIValue.

Examples:



Trade Templates

Trade templates are required to populate missing information from the incoming messages.

You can create trade templates from the Trade windows using "Save As Template" from the product specific menu.

In the Calypso Mapping Window, you can set the trade template for a given product type.

Select the InterfaceName "ExchangeFeed.CME" and add a TradeTemplate:

- Interface Value = product type (Example "InterestRateSwap")
- Calypso Value = trade template (Example "USD3L1")

Name:	ExchangeFeed.CME/TradeTemplate		
Interface Value:	InterestRateSwap		
Calypso Value:	USD3L1		

Repeat for more product types as needed, and for the InterfaceName "ExchangeFeed.LCH" as needed.

Name:	ExchangeFeed.LCH/TradeTemplate		
Interface Value:	InterestRateSwap		
Calypso Value:	USD3L1		

3.5 Clearing Member Setup

The following files are available under ""<calypso home>/client/resources/config/":

- clearingconnection.properties.sample
- clearing.properties.sample
- clearing.reportPaths.properties.sample
- CustomClearingReports.xml.sample
- clearingServiceCodes.properties.sample

These files are optional – They are used to override out-of-the-box properties, see below for usage.

"clearingconnection.properties"

Rename "clearingconnection.properties.sample" to "clearingconnection.properties", and modify as needed.

This file contains connection information to the CCP.

```
# Key format is
#
# <CCP short name>.<Firm ID (PO LE attribute)>.<key>
#
# URI format must include protocol, host and port (where applicable)
#
# For public key SFTP authentication, keyPassphrase is optional. Key
# path can be an absolute filesystem path, or a resource path within
# the classpath. Filesystem paths take precedence
CME.4Q0.URI=sftp://sftpng.cmegroup.com:22
CME.4Q0.user=<user>
```

```
CME.4Q0.password=<password>
```

```
LCH.CC1.URI=sftp://195.246.228.9:6020
LCH.CC1.user=<user>
LCH.CC1.key=<path to CC1 key>
LCH.CC2.URI=sftp://195.246.228.9:6020
LCH.CC2.user=<user>
LCH.CC2.key=<path to CC2 key>
LCH.CC2.key=<path to CC2 key>
LCH.CC2.keyPassphrase=<CC2 key passphrase>
```

Firm Id

They are stored in the attributes of the clearing member processing org: "<CCP><Clearing Service>FirmId", for example "CMEIRDFirmId".

If no such legal entity attribute is found, the system will look for the legal entity attribute "<CCP>FirmId", for example "CMEFirmId".

In this example, the CMEFirmId is "4Q0'' – This is a test environment for Calypso – You need to replace it with your own firm ID.

In this example, the LCHFirmId for LCH US is CC1, and the LCHFirmId for LCH UK is CC2 – There are test environments for Calypso – You need to replace them with your own environments.

URI

Then set the values for the parameters URI.

In this example, "sftp://sftpng.cmegroup.com:22" is a test environment for Calypso – You need to replace it with your own environment.

The following types of URI are currently supported: HTTP/S, SFTP, FTPS, FTP and local file system.

Examples of local file system:

```
CME.4Q0.URI=file://C:/CLEARING/Data/CME
LCH.CC1.URI=file://C://CLEARING//Data//LCH
```

User / Password or User / Key

Then set the values for the parameters user/password, or user/key/keyPassphrase.

If you set both user/password, and user/key/keyPassphrase for a given URI, user/key/keyPassphrase will be used for authentication.

keyPassphrase is optional - It is only needed if the key is protected.

"clearing.properties"

This file is used to override default properties as needed.

If you want to override the default properties, rename "clearing. properties.sample" to "clearing. properties".

clearing.import.folder

The default import folder is "<user home>\Calypso\clearing\" on the server where the Scheduler engine is running, and for the user running the Scheduler engine.

If you want to override the default import folder, rename "clearing.properties.sample" to "clearing.properties" and set the import folder "clearing.import.folder".

```
# Clearing configuration properties
#
# Import data base folder. If not defined, it will
# default to $calypso_user_home/clearing, were $calypso_user_home
# is the running user's Calypso home (-userhome arg)
#
#clearing.import.folder=/home/clearing/Calypso/clearing
clearing.import.folder=X:\\shared\\Calypso\\clearing
```

clearing.custom.packages

You can set custom packages as needed using the property clearing.custom.packages.

Example:

clearing.custom.packages=pkg1,pkg2,...,pkgN

where pkgN is the custom packages to add, for example:

clearing.custom.packages=com.customer.package1,com.customer.package2

If the property clearing.custom.packages does not contain the package "com.calypso.clearing", it will be added at the end of the list.

If the property clearing.custom.packages contains the package "com.calypso.clearing", its order in the list will be respected.

clearing.import.lchFirmIdPathSuffix

By default, when clearing members access their LCH environment, the "LCH<Clearing Service>FirmId" is used to identify the path to the CCP files. If such attribute is not present, it is the attribute "LCHFirmId".

If the clearing members want to access their test environment at LCH instead, the path to the CCP files is identified by the "LCH<Clearing Service>FirmId" / "LCHFirmID" with the suffix "(mbr)".

This property allows setting the suffix to access the test environment.

Example:

clearing.import.lchFirmIdPathSuffix=(mbr)

clearing.import.lch.swapClearFolderSuffix

By default, the CCP files are stored in the SwapClear folder but LCH could setup another folder for testing purposes.

The other folder can be accessed using the folder suffix defined in this property.

The folder will become "Swap Clear <folder suffix>".

Example:

clearing.import.lch.swapClearFolderSuffix=\ Member Test Refresh

The folder /<mnemonic>/SwapClear/ will be transformed to /<mnemonic>/SwapClear Member Test Refresh/.

clearing.import.cme.UATNRSuffix

If defined, the value of this property will be added in front of all CSV and XML file extensions.

Example:

clearing.import.cme.UATNRSuffix=.nr

The suffix will be added as follows: "/cme/ftp/PUB/IRS/IRSDFR_LIBOR1M_\${date}.csv".

"clearing.reportPaths.properties"

This file is used to override report paths. It contains the default report paths for reference. You can override as needed.

If you want to override the default report paths, rename "clearing.reportPaths.properties.sample" to "clearing.reportPaths.properties".

```
# Report paths overrides
# Paths defined in this properties file will override those loaded from the
# OOTB configuration and CustomClearingReports.xml. Only paths can be
# overridden here, no other report attribute will be modified. Refer to
# Clearing documentation for more information.
#
 The following syntaxes are accepted
#
  <reportBeanName>=<new report path>
#
  <CCP>.<reportName>=<new report path>
#
 where
#
  reportBeanName : report bean name, with bean as in Spring bean. See
                    CustomClearingReports.xml for more info
```

Example:

CME.CMEPAAQuote = /cme/ftp/PUB/IRS/cme.paa.rate.{date}.csv

The following placeholders are supported:

- \${date}: Valuation date. Formatting depends on CCP.
- \${firmId}: Firm ID, as defined in the legal entity attributes "<CCP><Clearing Service>FirmId" or "<CCP>FirmId" if not present.
- \${IchDynamicDateFolder}: Only for LCH. It is based on the value of the legal entity attribute "LCHRemoteFolderStructure":
- If it is set to "Dynamic", then \${IchDynamicDateFolder} is the formatted valuation date, plus a final forward slash (/). Only for LCH and for Dynamic folders, as defined in the legal entity attribute "LCHRemoteFolderStructure".
- If it is set to "Static" then \${IchDynamicDateFolder} is an empty string.

You can also use this file to handle individual Zip files: You need to override the report path by adding one of the following suffixes:

- zip
- gz

Example:

```
LCH.HistoricIndexRates = /Public(mbr)/SwapClear/Trade/${date}_REP00003 - Historic
Index Rates_ 1.TXT.zip
```

#

Additional capability – The following syntax is also supported:

\${key=value?expandedValue}

For example:

\${firmId=CC2?.zip}

meaning:

- If firmId is CC2, then the ".zip" suffix is added.
- If not, nothing is added.

Example:

```
LCH.CashSettlementReport =
/${firmId}/SwapClear/${lchDynamicDateFolder}${date}_REP00016c - OTC Portfolio Cash
Settlement (Client)_ 1.TXT${firmId=CC2?.zip}
```

"CustomClearingReports.xml"

This file is used to override default reports and market data.

If you want to override the default reports and market data, rename "CustomClearingReports.xml.sample" to "CustomClearingReports.xml".

[NOTE: The report configuration is done using Spring]

Adding a new report: For example, we need to add a new CME DFR curve, IRSDFRCurve_AONIA. The way to do it is to add the following XML to the file "CustomClearingReports.xml":

```
<bean id="IRSDFRCurve AONIA"</pre>
class="com.calypso.tk.clearing.external.report.CMEReport">
   <property name="name" value="IRSDFRCurve AONIA" />
   <property name="CCP" value="CME" />
   <property name="displayName" value="IRS DFR Curve - AONIA" />
  <property name="type" value="MARKET_DATA" />
  <property name="path" value="/cme/ftp/PUB/IRS/IRSDFR AONIA ${date}.nr.csv" />
  cproperty name="XSLResourcePath" value="stylesheet/cme/CME_DFR.xslt" />
  <property name="defaultFormat" value="CSV" />
   <property name="attributes">
      <map>
         <entry key="marketDataType">
           <util:constant static-
field="com.calypso.tk.clearing.external.report.MarketDataType.CURVES" />
         </entrv>
      </map>
   </property>
   <property name="plugins"></property name="plugins">
      <list>
         <ref bean="cmeCurveProcessorPlugin" />
      </list>
   </property>
</bean>
```

Description of each property:

- name (mandatory) : Name of the report. Along with the CCP, it fully identifies a report.
- **CCP** (mandatory).
- **displayName** (optional) : Will default to the name.
- **type** (mandatory) : We currently support 2 types of reports:

- EOD_REPORT : reports used in BO processing (e.g.: margin)
- MARKET_DATA
- **path** (mandatory) : Remote path of the report. Note the \${date} placeholder: some variables can be used, always enclosed in \${}
- date : valuation date
- firmId : e.g. 4Q0 or CC1 in our case. Taken from the PO LE attributes "<CCP><Clearing Service>FirmId" or "<CCP>FirmId" if not present
- XSLResourcePath (mandatory): CLASSPATH path of the XSLT style sheet to process the report
- defaultFormat (optional) : Raw report format. 3 types currently supported
- XML
- CSV (Comma Separated Values) (e.g.: used in CME)
- TSV (Tab Separated Values) (e.g.: used in LCH)
- attributes (optional)
- marketDataType: within market data type we support several subtypes. The marketDataType is
 important, because, OOB, the report groups that used to be defined in the clearingmarketdata.properties
 files are now dynamically built by grouping reports that have the same marketDataType. E.g.: all reports
 with marketDataType=com.calypso.tk.clearing.external.report.MarketDataType.CURVES will form the
 OOB group "Curves". The supported types are
 - com.calypso.tk.clearing.external.report.MarketDataType.CURVES ("Curves" group)
 - com.calypso.tk.clearing.external.report.MarketDataType.QUOTES ("Quotes" group)
 - com.calypso.tk.clearing.external.report.MarketDataType.RATE_RESET ("Rate Resets" group)
 - com.calypso.tk.clearing.external.report.MarketDataType.HOLIDAYS ("Holidays" group)
- plugins (optional)

For the specific case of CME DFR curves, there is an easier way to add a new one: this would be an equivalent definition:

```
<bean name="IRSDFRCurve_AONIA" parent="parentDFRCMEReport">
    cproperty name="path" value="/cme/ftp/PUB/IRS/IRSDFR_AONIA_${date}.nr.csv" />
</bean>
```

Note the parent=parentDFRCMEReport : that will complete the rest of the configuration.

Modifying the OOB market data groups: For example, you do not want to download all the OOB curves, but only 2 of them: IRSDFRCurve_AONIA and IRSDFRCurve_TONAR. You can add the following XML to "CustomClearingReports.xml":

The property name=Curves will make the OOB Curves group to be ignored, and the new one will contain only those 2 reports. Needless to say, the report names must point to existing report: if you add names of unknown reports, they will be ignored.

"clearingServiceCodes.properties"

This file is used to override default service codes. Service codes are used in the scheduled task CLEARING_EXPORT_CVR_WORKSHEET to determine the file name.

Clearing Service Codes # # Arbitrary codes that identify Clearing Services. Initially, a clearing service # would identify a product, or family of products (product type) that are usually # margined together, although in the future this definition could change # Current supported syntax is # # < CCP short name>.<Product type>=<Service Code> # Uncomment and redefine, if needed # #CME.IRD=01 #CME.NDF=02 #LCH.IRD=03

3.6 Collateral Setup

3.6.1 Collateral Workflow

The Collateral workflow provided out-of-the box by the Collateral module must be modified as follows. All the transitions from NONE to EXECUTED should be STP.

Orig Status	Action	Resulting Status	Use STP	Rules
ALLOCATED	VALIDATE	VALIDATED	true	
EXECUTED	AMEND	EXECUTED	false	
EXECUTED	SUBSTITUTE	EXECUTED	false	Execute
EXPOSURE_AGREED	ALLOCATE	ALLOCATED	true	
NONE	NEW	PRICING	true	
PRICED_NO_CALL	AGREE_EXPOSURE	EXPOSURE_AGREED	false	
PRICED_PAY	AGREE_EXPOSURE	EXPOSURE_AGREED	true	AutoAdjust
PRICED_RECEIVE	AGREE_EXPOSURE	EXPOSURE_AGREED	true	AutoAdjust
PRICING	PRICE	PRICED_NO_CALL	true	CheckNoCall
PRICING	PRICE	PRICED_PAY	true	CheckPay
PRICING	PRICE	PRICED_RECEIVE	true	CheckReceive
VALIDATED	EXECUTE	EXECUTED	true	Execute

3.6.2 Buffer Functionality

The multi-buffer functionality is only enabled if the domain "Collateral.Multiplier" contains the value "Buffer".

3.7 ERS Limits Setup

Please refer to the Calypso ERS Limits Installation Guide for details.

3.8 All Property Files and Resource Files

All resource files and property files need to be copied to $<\!\!\! \texttt{calypso home}\!\!>\!\!/$ tools/calypso-templates/resources.

You will then need to deploy the files to your applications servers]

Delease refer to the Calypso Installation Guide for details on deploying resource files.

Section 4. Legal Entities and Accounts Setup

Notes

Legal entities must be defined to identify the clearing house, the clearing member (processing org), and the clients. They should all have at least one contact.

When defining legal entities, accounts, and books, a number of attributes will be set as well. Please remember that attributes and their values are case sensitive.

4.1 Defining Books

The book in Calypso is used to store trades.

When trades are imported into the system, and trades are created as a result of the EOD processes, the books are set according to the following logic. This applies to cleared trades, clearing transfer trades, margin call trades and collateral exposure trades.

You have two options to define books:

- Option 1 Define books at the clearing account level (CCP facing trades and client / house facing trades are in the same book for a given clearing account)
- Option 2 Define books at the legal entity level (CCP facing trades and client / house facing trades are in different books for a given clearing account)

Option 1 has priority over Option 2 if both options are configured. In other words, books defined at the legal entity level will be ignored if a book is defined at the clearing account level.

[NOTE: If you choose Option 1, it has to apply to ALL clearing accounts. If you choose Option 2, it has to apply to ALL legal entities – It is not recommended to have a mix of both options]

4.1.1 Option 1 – A Book per Clearing Account

You define a book at the clearing account level.

This book contains for a given clearing account, the CCP facing trades and the client / house facing trades. So basically, this book always has a flat position.

Sample Clearing Account Book

The clearing account book is set on the account attributes of **BOTH the CCP Facing Clearing Account and the Client Facing Clearing Account**.

[NOTE: This is the same setup, whether the clearing account is a client clearing account or a house clearing account]

-	Account Attributes Window CLIENTA-CME (68703)						
	Name	Value 🗸					
	AccountType	▼ Client					
	Clearing Book	✓ CLIENTA@CGM					
	CCPOriginCode	▼ CLIENT					
	LCHAccountName	<for -="" account="" eod="" files="" for="" lch="" only="" reference=""></for>					

From the Calypso Navigator, navigate to **Configuration > Books & Bundles > Trading Book** to define books.

🗾 Book Window - Ve	ersion -0 [1300075P2/LAPT(OP_R	ELEASE/calypso_user] (User: calyp 💶 🔲
View Help				
Book Id	68694		Attributes	
Name	CLIENTA@CGM		Name	Value 🗸
Activity	CLEARING		PricingEnv BookType	✓ FROMDB
Accounting Link	TRADING	•	AccAdjustmentDays AccDateRule	
Legal Entity	CGM LLC		AccReversalRule BookBundle	
Location	US/Pacific	-	CAMoneyDiff Book	*
		_	CMF_ID	T
End Of Day	23 Hour 59 Min		CTC Compounding	▼
	Luca	_	CTC Consolidator	T
Base Ccy	USD	•	CTC Offset	

It is not requires to set any book attribute.

4.1.2 Option 2 – A Book per Legal Entity

For the clearing member, you need to have a book to store the trades related to the house activity, and a book to store the trades related to the client activity. When trades are imported, the book will be assigned in the following order of priority:

- The book set at the Clearing House level, if any. **NOTE**: You can only set the book at the CCP level if you have defined only one clearing member in your system.
- The book set at the clearing member level, if any.
- The book set in the User Defaults.

For the clients, you can have a book per client, or a book across multiple clients. This choice should mostly be driven by P&L reporting requirements, since the P&L is computed at the book level. When trades are imported, the book will be assigned in the following order of priority:

- The book set at the client level, if any.
- The book set in the User Defaults.

Sample Clearing Member Books

The clearing member books are set on the clearing house OR the clearing member attributes.

Id	Processing Org	Legal Entity	Role	Attribute Type 🗸	Attribute Value
1110	ALL	CGM LLC	ALL	Minimum Other Requirement	-200
1109	ALL	CGM LLC	ALL	Minimum CFTC Requirement	5000000.2
1602	ALL	CGM LLC	ALL	LCHFirmId	CC1
1107	ALL	CGM LLC	ALL	House Clearing Book	CGM-HOUSE
1108	ALL	CGM LLC	ALL	Client Clearing Book	CGM-CLIENT
1106	ALL	CGM LLC	ALL	CMF_ID	000
1601	ALL	CGM LLC	ALL	CMEFirmId	843

Clearing Member House Clearing Book

The clearing member House Clearing book holds trades for the clearing member's house trades.

From the Calypso Navigator, navigate to **Configuration > Books & Bundles > Trading Book** to define books.

Boo	k Window - Vei	rsion -2 [1300035P1/cft-stagir	ng-130003sp	1/calypso_user]	
View	Help				
	Book Id	1125	Attributes		
	Name	CGM-HOUSE		Name	Value
	Activity	CLEARING	BookType Pricing Env		✓ House FROMDB
	Accounting Link	отс 💌]		
	Legal Entity	СGМ ЦС			
	Location	America/Dawson_Creek 🛛 💌]		
	End Of Day	24 Hour 0 Min			
	Base Ccy	USD 💌]		
	Holidays	NYC			
	Comment				

Set the following book attributes:

• **OPTIONAL** - BookType = House (optional attribute to identify House activity in filters)

Clearing Member Client Clearing Book

The clearing member Client Clearing book holds the mirror trades of the clearing member's clients at the clearing house.

From the Calypso Navigator, navigate to **Configuration > Books & Bundles > Trading Book** to define books.

🗾 Book Window - Ye	rsion -2 [1300035P1/cft-stagin	ig-130003sp1/calypso_user]	
View Help			
Book Id	1126	Attributes	
Name	CGM-CLIENT	Name	Value
Activity	CLEARING	BookType Pricing Env	✓ Client FROMDB
Accounting Link			
Logal Eptitu			
Legal Endry			
Location	America/Dawson_Creek		
End Of Day	24 Hour 0 Min		
Base Ccy	USD		
Holidays	NYC		
Comment			

Set the following book attributes:

• **OPTIONAL** - BookType = Client (optional attribute to identify House activity in filters)

Sample Client Book

A book should be defined for client trades at the clearing member. It can be a dedicated book, or a book shared across multiple clients.

Id	Processing Org	Legal Entity	Role	Attribute Type	Attribute Value
630	697 CGM LLC	CLIENTA	ALL	Clearing Book	CLIENTA@CGM LLC
630	698 CGM LLC	CLIENTA	ALL	ClearingReportingCurrency	USD

From the Calypso Navigator, navigate to **Configuration > Books & Bundles > Trading Book** to define books.

Book Window - Ve	ersion -0 [140020SP2/LAPTOP_REL	.14/calypso_user]		
View Help				
Book Id	63700	Attributes		
Name	CLIENTA@CGM LLC	Name	Value	
Activity	Clearing	AccAdjustmentDays		
			* *	
Accounting Link	NONE	BookBundle	*	
Legal Entity		CAMoneyDiff Book		
		CMF_ID		
Location	America/Los_Angeles 🛛 🗸 🗸	CTC Compounding	*	
		CTC Consolidator	*	
End Of Day	23 Hour 59 Min	CTC Offset	Ψ	
		CTC Role	*	
Base Ccy	USD	CUSTOMER_ID		
Holidaya	NVC	Can Take Positions	*	
nuiuays		CheckERSLimits		

It is not required to set any book attribute.

Sample Internal Counterparty Book

From the Calypso Navigator, navigate to **Configuration > Books & Bundles > Trading Book** to define books.

🗾 Book Window - Ve	rsion -1 [1300035P1/cft-staging	g-130003sp1/calypso_u	ser]
View Help			
Book Id	1127	Attributes	
Name	CTI@CGM	Name	Value
		BookType	 House
Activity	House Clearing Book	Pricing Env	FROMDB
Accounting Link	отс		
Legal Entity	СGМ Ц.С		
Location	America/New_York		
End Of Day	24 Hour 0 Min		
Base Ccy	USD 🔽		

It is not required to set any book attribute.

- **OPTIONAL** BookType = House (optional attribute to identify House activity in filters)
- Pricing Env = <Pricing environment name>

4.2 Defining the Clearing Houses (CCPs)

A clearing house only requires the definition of a legal entity and its contact information.

From the Calypso Navigator, navigate to **Configuration > Legal Data > Entities** to define legal entities.

Each clearing house must be defined with at least the following roles: "CCP, "Agent" and "CounterParty".

[NOTE: The Client role is also required if you plan to define Variation Margin contracts for CCP facing contracts – Optional – See <u>Clearing Member Contracts – CCP Facing Contracts</u> for details]

Trade Classification

You can set the legal entity attribute VMClassification to CTM (Collateralized-To-Market) or STM (Settled-To-Market). The trade keyword VMClassification will default to that value when importing EOD files to generate Clearing Transfer trades. If it is not set, the value will be retrieved from the import files, and if there is no value in the import files, it will default to STM.

Recommended setup per CCP:

- CME: VMClassification legal entity attribute = STM
- LCH: VMClassification legal entity attribute = Not set (it will be retrieved from report 91).
- For the other CCPs, do not set the VMClassification legal entity attribute It will default to STM.

You can setup an MCC contract for each trade classification using the attribute VM_CLASSIFICATION, set to CTM or STM.

This applies to both Client and CCP facing Clearing Transfer trades.

CME

🔀 Legal Entity- V	ersion - 7 [140020SP	2/LAP	TOP_REL14/calyps	o_user]	-	_	
Utilities Help							
Short Name	CME				Status	Enabled	•
Full Name	Chicago Mercantile Exchange				Role(s)	Agent	
Parent						CounterParty	
Country	UNITED STATES		▼				•
Inactive As From		User	calypso_user				
Entered Date	10/17/2005	3:38:	08 PM			[
External Ref				Disable	d Role(s)		
Holidays	NYC		 Financial Non Fina 	ncial			

Click **Contact** to define at least one contact.

Click **Attributes** to set the following legal entity attributes:

Id	Processing Org	Legal Entity	Role	Attribute Type	Attribute Value
1002	ALL	CME	ALL	CME_CPTY	CME
1003	ALL	CME	ALL	Client Clearing Book	CGM-CME-CLIENT
1004	ALL	CME	ALL	House Clearing Book	CGM-CME-HOUSE
1005	ALL	CME	ALL	SwapswireParticipant	XCMEUS4FXXX

- OPTIONAL "Client Clearing Book" = <Book name for the Clearing Member's client trades>
 See <u>Defining Books</u> for details The book can be defined at the Clearing Member or Clearing Account level instead.
- OPTIONAL "House Clearing Book" = <Book name for the Clearing Member's house trades>
 See <u>Defining Books</u> for details The book can be defined at the Clearing Member or Clearing Account level instead.
- "CME_CPTY" = CME

LCH

🔀 Legal Entity- V	ersion - 0 [140020SP	2/LAPTOP_F	REL14/calypso	_user]		_	
Utilities Help							
Short Name	LCH				Status	Enabled	•
Full Name	London Clearing Hous	e			Role(s)	Agent Courter Douter	
Parent						CounterParty	
Country	UNITED STATES		•]			·
Inactive As From		User calyp	iso_user				
Entered Date	12/18/2013	5:38:59 PM	I	Disabled			
External Ref			Financial	Disableu	r Kule(s)		
Holidays			Non Financial	cial			

Click **Contact** to define at least one contact.

Click **Attributes** to set the following legal entity attributes:

Id	Processing Org	Legal Entity	Role	Attribute Type	Attribute Value
1007	ALL	LCH	ALL	SwapswireParticipant	CALYPSOXXX
1010	ALL	LCH	ALL	LCH_CPTY	LCH
1008	ALL	LCH	ALL	House Clearing Book	CGM-HOUSE
1009	ALL	LCH	ALL	Client Clearing Book	CGM-CLIENT

- OPTIONAL "Client Clearing Book" = <Book name for the Clearing Member's client trades>
 See <u>Defining Books</u> for details The book can be defined at the Clearing Member or Clearing Account level instead.
- OPTIONAL "House Clearing Book" = <Book name for the Clearing Member's house trades>
 See <u>Defining Books</u> for details The book can be defined at the Clearing Member or Clearing Account level instead.
- "LCH_CPTY" = LCH

EUREX

🗾 Legal Entity- V	ersion - 5 [143005/CLEARING_310/calypso	_user]		
Utilities Help				
Short Name	EUREX]	Status	Enabled
Full Name	Eurex		Role(s)	Agent
Parent				CCP Clearer
Country	GERMANY 🗾			CounterParty
Inactive As From	User calypso_user	_		MarketPlace
Entered Date	10/03/2006 12:17:12 AM			Triparty
External Ref				
Holidays	XEUR O Non Financial	icial		

Id	Processing Org	Legal Entity	Role	Attribute Type	Attribute Value
271696	ALL	EUREX	ALL	ClearingHouse	EUREX
287698	ALL	EUREX	ALL	EurexParticipant	ANONYMOUS

ICE CLEAR EUROPE

🗾 Legal En	tity- Version - 1 [1	43005/CLEARING_310)/calypso_	user]		
Utilities H	lelp					
Short	Name ICE CLEAR EU	JROPE		Status	Enabled	
Ful	Name ICE CLEAR EL	JROPE		Role(s)	Agent	_
1	Parent				CCP Clearer	
G	ountry UNITED KING	DOM	▼		CounterPa	rty
Inactive A	s From	User max				
Entere	d Date 09/05/2013	6:42:58 AM			🥅 Tripa	arty
Exterr	nal Ref					
He	olidays LON	°	Financial Non Financi	ial		
Id	Processing Org	Legal Entity	Role	Attribute 1	Туре	A
145698	ALL	ICE CLEAR EUROPE	ALL	Client Clearing B	Book (CALY
145699	ALL	ICE CLEAR EUROPE	ALL	House Clearing	Book (CALY

ICE CLEAR EUROPE

145700 ALL Books are optional. ALL

ICELinkParticipant

iceclear

Je 👘

🗾 Legal En	tity- V	ersion - 1 [14	43005/CLEARING_	310/ca	lypso_	user]				
Utilities H	elp									
Short	Name	ICE CLEAR CR	EDIT				Status	Enabled		
Full	Name	ICE CLEAR CR	EDIT				Role(s)	Agent		
F	Parent							CCP CounterPa	artv	
Ca	ountry	UNITED STATE	:S	-				ExtCounte	erParty	
Inactive As	s From		User qliu					MarketPla	ce	
Entered	d Date	10/14/2013	1:52:51 PM		1			🗖 Trip	arty Sub	
Extern	hal Ref									
Ho	olidays	NYC		• Fin	ancial	-1				
				O NO	n Financ	Idi				
Id	Pro	cessing Org	Legal Entity		Role	At	tribute 1:	Гуре	Attri	oute Valu
255197	ALL		ICE CLEAR CREDIT	AL	L	ICELink	Participa	nt	icetrust	
255198	ALL		ICE CLEAR CREDIT	AL	L	Client C	learing B	iook	CALYPU:	5-C
255199	ALL		ICE CLEAR CREDIT	AL	L	House C	learing B	Book	CALYPU:	5-H

ICE CLEAR CREDIT

Books are optional.

4.3 Defining the Agent Bank

The agent bank for all clearing activity is HARRIS BANK.

It should be defined with the following roles: "Agent" and CounterParty".

From the Calypso Navigator, navigate to **Configuration > Legal Data > Entities** to define legal entities.

Legal Entity- Version - 1 [1300035P1/cft-staging-130003sp1/calypso_user]								
Utilities Help								
Short Name	HARRIS BANK		Status	Enabled	•			
Full Name	Harris Bank		Role(s)	Agent CoupterParty				
Parent								
Country	UNITED STATES							
Inactive As From	User calypso_user							
Entered Date	06/18/2012 9:01:38 PM	Disable	ed Role(s)					
External Ref	Einancial	CASODIC	/a ((0)0(3)					
Holidays	NYC O Non Fina	ncial						

Click **Contact** to define at least one contact.

4.4 Defining the Clearing Member

Clearing Member Setup Requirements

A clearing member requires the following settings:

- A clearing member legal entity
- **OPTIONAL** A House book to represent CCP-facing house activity.
- **OPTIONAL** A Client Book to represent CCP-facing client activity.
- A Nostro account for each currency that represents the cash position of the clearing member at the agent.
- A Dummy Client account at the clearing member for payments between the clearing member and the client.

4.4.1 Clearing Member Legal Entity

The clearing member should be defined with at least the following roles: "ProcessingOrg", "Agent", "CounterParty". From the Calypso Navigator, navigate to **Configuration > Legal Data > Entities** to define legal entities.

💋 Legal Entity- V	ersion - 1 [1300039	iP1/cfl	t-stagin	ig-13000	Bsp1/c	alyp	so_us	er]		<u> </u>
Utilities Help										
Short Name	CGM LLC						Status	Enabled	•	•
Full Name	Calypso Global Market	s				R	Role(s)	Agent		
Parent								CounterParty ProcessingOrg		
Country	UNITED STATES			▼					•	
Inactive As From		User	calypso_	_user						
Entered Date	06/19/2012	2:16:	12 PM							
External Ref				_	Disat	bled I	Role(s)			
Holidays	NYC]	 Financia Non Fina 	incial					

Click **Contact** to define at least one contact.

Click **Attributes** to set the following legal entity attributes:

Id	Processing Org	Legal Entity	Role	Attribute Type 🔬	Attribute Value
67684	ALL	CGM LLC	ALL	CMEFirmId	843
73681	ALL	CGM LLC	ALL	CMEProcessingOrgId	843
81681	ALL	CGM LLC	ALL	Clearing Business Calendar	CCP
67690	ALL	CGM LLC	ALL	Client Clearing Book	CGM-CLIENT
67689	ALL	CGM LLC	ALL	House Clearing Book	CGM-HOUSE
67683	ALL	CGM LLC	ALL	LCHFirmId	CC1
74682	ALL	CGM LLC	ALL	Minimum CFTC Requirement	5000000.2
74683	ALL	CGM LLC	ALL	Minimum Other Requirement	-200

• **OPTIONAL** - "House Clearing Book" = <Book name for house trades>

See <u>Defining Books</u> for details – The book can be defined at the Clearing House or Clearing Account level instead.

• **OPTIONAL** - "Client Clearing Book" = <Book name for client trades>

See <u>Defining Books</u> for details – The book can be defined at the Clearing House or Clearing Account level instead.

"<CCP><Clearing Service>FirmId" = <ID given by CCP to identify the clearing member>

For example: CMEIRDFirmId, CMENDFFirmId, LCHIRDFirmId - You need one FirmId for each CCP and each clearing service that you use.

Clearing services are defined in the domain "mccAdditionalField.PRODUCT_TYPE".

If you do not need to specify the FirmId by clearing service, you can use the attribute $<\!\text{CCP}\!>\!\text{FirmId}$ instead.

For example: CMEFirmId, LCHFirmId.

 OPTIONAL – "<CCP>CVRSenderCode" = <ID given by the CCP to identify the Collateral Valuation Report (CVR) sender>

If it is populated, it will be used to identify the CVR sender, otherwise the legal entity attribute $\CCP><$ Clearing Service>FirmId" or $\CCP>$ FirmId" will be used.

"LCHRemoteFolderStructure" = <LCH folder option: Select "Static" or "Dynamic">
 LCH offers two folder options for storing the EOD files: "Static" stores all reports under the SwapClear

folder, and "Dynamic" stores the reports per date folder under the SwapClear folder.

"Minimum CFTC Requirement" - Used for regulatory reporting
 Refer to the Calypso Clearing Member User Guide for information on regulatory reporting.

"Minimum Other Requirement" - Used for regulatory reporting

D Refer to the Calypso Clearimg Member User Guide for information on regulatory reporting.

OPTIONAL - "Clearing Business Calendar" = <Holiday calendar>
 Used to represent the calendar on which the clearing member will run EOD processes, and generate statements for the clients. If any CCP is open, the clearing member will be running EOD processes.
 If this attribute is not set, the calendar specified in the clearing member definition is used instead.
 Refer to the *Calypso Clearing Member User Guide* for details.

4.4.2 Clearing Member Accounts

Clearing Member - Nostro Account @ Agent

Cash accounts of the clearing member at the settlement bank (agent) for cash settlement and margin call trades. You need one nostro account for the House account and another one for Client segregated accounts.

From the Calypso Navigator, navigate to **Configuration > Accounting > Accounts** to define accounts.

Define an automatic SETTLE account with:

- Processing Org = <Clearing member name>
- Legal Entity = <Agent name>
- Role = Agent

Example of House Nostro Account.

Accounts Definition	Authorization mode OFF CALYPUS HOUSE / 141252 - version 2
Account Utilities Re	ports Process Help
Account Statements A	ttributes Interests Limits Consolidation Translation/Revaluation Browse
Account Name	CALYPUS HOUSE
Processing Org	CALYPUS Ccy AUTO V Id 141252
Туре	SETTLE Security Auto/Template Acc
External Name	Q Interface Rule Aggregate
Description	CALYPUS HOUSE
Legal Entity (F2)	BANK OF AMERICA Role Agent
Creation Date	6/14/13 6: 17:50 PM Create by Acc Engine only Properties/Attributes (F4)
Closing Account	Last Closing Date
Parent Account	Parent Id 0

Account Statements Attributes Interests Limits Consolidation Translation/Revaluation Browse

	Attribute	Value
1	✓ Constant	CALYPUS HOUSE NOSTRO
2		-
3	XferCcy	

Example of Client Segregated Nostro Account.

Order

Accounts Definition	- Authorization mode OFF CALYPUS SEG-CLIENT / 141251 - version 4
Account Utilities R	eports Process Help
Account Statements A	ttributes Interests Limits Consolidation Translation/Revaluation Browse
Account Name	CALYPUS SEG-CLIENT
Processing Org	CALYPUS CCy AUTO V Id 141251
Туре	SETTLE Auto/Template Acc
External Name	Q Interface Rule Aggregate 🔻
Description	CALYPUS SEG-CLIENT
Legal Entity (F2)	BANK OF AMERICA Role Agent 🗸
Creation Date	6/14/13 6:07:38 PM Create by Acc Engine only Properties/Attributes (F4)
Closing Account	Last Closing Date
Parent Account	Parent Id 0

Account Statements Attributes	nterests Limits Consolidation Translation/Re	evaluation Browse	
Order	Attribute		Value
	1 🗸 Constant		CALYPUS SEG-CLIENT
	2 🕆 Constant		-
	3 🕆 XferCcy		

Click Properties/Attributes (F4) to set account attributes as needed.

• Attribute "SequesteredAccount" = Bank

Clearing Member – Nostro Dummy Account @ Agent

This account will be used for swap interest.

Accounts Definition - Authorization mode OFF CALYPUS DUMMY / 141260 - version 1	
Account Utilities Reports Process Help	
Account Statements Attributes Interests Limits Consolidation Translation/Revaluation Browse	
Account Name CALYPUS DUMMY	
Processing Org CALYPUS Ccy AUTO Id 141260	
Type SETTLE Security Auto/Template Acc	
External Name Q Interface Rule Aggregate	
Description CALYPUS DUMMY	
Legal Entity (F2) BANK OF AMERICA Role Agent	
Creation Date 6/14/13 11:53:52 PM Create by Acc Engine only Properties/Attributes (F4)	
Closing Account Last Closing Date	
Parent Account Parent Id 0	
Account Statements Attributes Interests Limits Consolidation Translation/Revaluation Browse	
Order Attribute	Value
1 v Constant	CALYPUS - DUMMY
2 🔻 Constant	-
3 v XferCcy	

4.5 On-Boarding an Individual Client/Affiliate

Client Setup Requirements

On-boarding a client requires the following settings:

- A Client legal entity.
- A book that contains client trades (defined at Client legal entity level or Client Account level)
- A Position account at the clearing house for each CCP / service (e.g. CME/NDF).
- A pair of Clearing accounts at the clearing member for each CCP/ service. One account configured with the client's LE and a second one, also known as mirror account where the Legal Entity is the CCP.
 Both accounts are linked through the Description field that contains the account id of the other account.
 Both accounts must contain the CCP position account Id in the External Name field.
- Internal Cash accounts for each currency.
- Dummy accounts for each currency.

It is recommended to use the Onboarding Manager as it creates all the required data at once, including the settlement and delivery instructions and the margin call contracts.

See <u>Settlement and Delivery Instructions</u> for details on SDI setup requirements.

See Margin Calls Setup for details on Margin Call Contracts setup requirements.

4.5.1 Onboarding Manager

You need to add a menu item for the Onboarding Manager for menu action onboarding.OnboardingWindow.

It brings up the Clearing Client Onboarding window. It allows defining a client based on a client template, previewing the data that will be created, and saving the required data: legal entity, book, accounts, interest bearing configurations, settlement and delivery instructions, and margin call contracts.

Access Permissions

The following access permission functions apply to the Onboarding Manager.

- CreateModifyOnboardingTemplate Permission to save, Save as new, and delete onboarding templates.
- CreateOnboardingObjects Permission to save onboarding templates, but not save as new.
- ModifyOnboardingTemplate Permission to save the objects generated by the onboarding tool.
- AuthorizeOnboardingCreation Permission to authorize client onboarding data in Authorization mode.

You can also assign read-write access or read-only access to onboarding templates under the "Onboarding Templates" category in the Groups panel of the Access Permissions window.

Static Data Filters

You need to create static data filters for the transfer types.

Sample XferType_NOT_Int/Upfront_Fee

📕 Static Da	ta Filter Wind	ow [140022SP2/LAPTOP_REL14/calypso_user]	
Name:	XferType_NOT	_Int/Upfront_Fee	Att
Comment:			
Groups:	ANY		
Attribute	Criteria	Filter Value(s)	
Xfer Type	▼ NOT_IN	COMMISSION, FEE, INTEREST, TERMINATION_FEE, UPFRC	ONT_FEE

Sample XferType_Interest/Upfront_Fee

🛃 Static Da	ata Filter Win	dow [140022SP2/LAPTOP_REL14/calypso_user]	-
Name:	XferType_Int	erest/Upfront_Fee	Att
Comment:			
Groups:	ANY		
Attribute	Criteria	Filter Value(s)	
Xfer Type	⊤ IN	CAdd COMMISSION, FEE, INTEREST, TERMINATION_FEE, UPFRO	NT_FEE

Margin Call Contract Type

In order to populate the contract type properly, you need to add the following values to the domain "legalAgreementType":

- Client This value will be set as the Contract Type for client facing margin call contracts.
- Client@<CCP>, such as Client@CME and Client@LCH This value will be set as the Contract Type for CCP facing margin call contracts.

Client Template

A template is provided out-of-the-box "CLIENT_default". It contains the basic required data. They are described below.

You can choose **Manage Templates > Configure** to save the out-of-the-box template as a new template, in order to modify it.

You can add values for the following types of information:

- Legal Entity Roles
- Legal Entity Attributes
- Book Attributes
- Account Properties
- Account Attributes for Auto Accounts

Choose File > Save or File > Save As New to save your changes if any.

Default Client Template Values

Fields		Default Value
Processing Org		<not set=""></not>
Legal Entity	Roles	Client, CounterParty, Statement Recipient
	Financial	true
	Status	Disabled
	Country	<not set=""></not>
	Holidays	<not set=""></not>
Legal Entity Attributes	ClearingReportingCurrency	<not set=""></not>
Clearing Book	Book Name	<clientname>@<poname></poname></clientname>
	Activity	Clearing
	Accounting Link	<not set=""></not>
	Processing Org	<not set=""></not>
	Location	<not set=""></not>
	End of Day	<not set=""></not>
	Base Ccy	<not set=""></not>
	Holidays	<not set=""></not>
	Comment	<not set=""></not>
Book Attributes	Pricing Env	FROMDB
	BookType	Client
Book	Currency	[ALL]
Permissions	Currency Pair	[ALL]

Fields		Default Value
	Product	[ALL]
Clearing	Account Name	<clientname>@FCM_<poname>_<ccpname><servicename></servicename></ccpname></poname></clientname>
Account	Processing Org	<not set=""></not>
	Call Account	false
	Туре	SETTLE
	Security	false
	Currency	AUTO
	Auto/Template Acc	true
	Interface Rule	Aggregate
	Role	CounterParty
	Create by Acc Only	true
	Balance	true
	Frequency	DLY
	Day	1
	Rule	<not set=""></not>
	Roll	END_MONTH
	Billing	true
	Interest Bearing	false
Clearing	Clearing Book	<clientname>@<poname></poname></clientname>
Account Properties	Description	Clearing
·	ClearingCashAccount	false
	CCPOriginCode	CLIENT
	AccountType	Client
Clearing Account Attributes	Auto account attributes	<not set=""></not>
Clearing Mirror	Account Name	<clientname>@CCP <poname> <ccpname><servicename></servicename></ccpname></poname></clientname>
Account	Processing Org	<not set=""></not>
	Call Account	false
	Туре	SETTLE
	Security	false
	Currency	AUTO
	Auto/Template Acc	true
	Interface Rule	Aggregate
	Role	Agent
	Create by Acc Engine Only	true
	Balance	true
	Frequency	DLY

Fields		Default Value
Clearing Mirror Account Properties	Day Rule Roll Billing Interest Bearing Clearing Book Description ClearingCashAccount CCPOriginCode	1 <not set=""> END_MONTH true false <clientname>@<poname> Clearing false CLIENT Client</poname></clientname></not>
Clearing Mirror Account Attributes	Auto account attributes	<not set=""></not>
Cash Account	Account Name Processing Org Call Account Type Security Currency Auto/Template Acc Interface Rule Description Role Create by Acc Only Balance Frequency Day Rule Roll Billing Interest Bearing	<pre><clientname>_<currency>_CASH@<poname> <not set=""> false false SETTLE false AUTO true Aggregate <not set=""> CounterParty false true DLY 1 <not set=""> END_MONTH false true</not></not></not></poname></currency></clientname></pre>
Cash Account Interest Bearing	Interest Config Interests Valid From Interest Valid To Interests Type Interests Penalty	<not set=""> <not set=""> <not set=""> false</not></not></not>
Cash Account Properites	Description ClearingCashAccount	Cash true

Fields		Default Value
	CCPOriginCode	CLIENT
	AccountType	Client
Cash Account Attributes	Auto account attributes	<not set=""></not>
Direct SDI	Role	CounterParty
	Currency	ANY
	Pay/Receive	BOTH
	Cash/Security	BOTH
	Contact	Default
	Processing Org	ALL
	Products	ANY
	SD Filter	<not set=""> Recommended: XferType_NOT_Int/Upfront_Fee</not>
	Preferred	true
	Priority	0
	Method	Direct
	Trade Counterparty	ALL
	Is Direct	true
	DDA	<clientname>_AUTO_CASH@<poname></poname></clientname>
Internal SDI	Role	CounterParty
	Currency	ANY
	Pay/Receive	BOTH
	Cash/Security	BOTH
	Contact	Default
	Processing Org	ALL
	Products	G.Clearing Products
	SD Filter	<not set=""> Recommended: XferType_Interest/Upfront_Fee</not>
	Preferred	true
	Priority	0
	Method	Internal
	Trade Counterparty	ALL
	Is Direct	false
	G/L Account	<not set=""></not>
	DDA	<not set=""></not>
	A/C	Dummy Account
	Agent	<not set=""></not>
	Agent Contact	Default
	Agent Identifier	<not set=""></not>
	Sub-Account	<not set=""></not>

Fields		Default Value
	Msg To Agent	<not set=""></not>
VM	Margining Scenario	Single_Ccy - See below for details.
	Legal Entity Role	Client
	Has Clearing Service	<not set=""> - See below for details.</not>
	Currencies	[ANY]
	Start Date	<not set=""></not>
	EOD Pricing Environment	<not set=""></not>
	ITD Pricing Environment	<not set=""></not>
	Position Type	THEORETICAL
	Position Date	POSITION_DATE_DEFAULT
	Method	Standard
	Currency	<not set=""></not>
	Cash	0
	Book	<clientname>@<poname></poname></clientname>
	Base Currency	USD
	Currency	<not set=""></not>
	Adjustment Currency	<not set=""></not>
IM	Margining Scenario	OSA – See below for details.
	Legal Entity Role	Client
	Collateral Type	BOTH
	Start Date	<not set=""></not>
	EOD Pricing Environment	<not set=""></not>
	ITD Pricing Environment	<not set=""></not>
	Position Type	THEORETICAL
	Position Date	POSITION_DATE_DEFAULT
	Method	Standard
	Currency	<not set=""></not>
	Cash	0
	ANY	0
	Corporate	0
	Government	0
	Tbill	0
	Book	<clientname>@<poname></poname></clientname>
	Base Currency	<not set=""></not>

[NOTE: If the user does not select a contact in the SDI section of the template, the user will need to define a contact in the Client Information Panel. If there is a list of two or more contacts in the Client Information Panel, the first contact in the list is used as the default contact for all SDIs]

VM Contract – Margining Scenario

You can select the following scenarios:

- Single_Ccy There is one VM Margin Call Contract per Client.
- Multi_Ccy There is one VM Margin Call Contract per Client and per currency (regardless of CCP and product type).
- Hybrid You may have multiple VM Margin Call Contracts per Client and per currency on an ad-hoc basis. The currencies that are not selected all belong to the same VM Margin Call Contract.

VM Contract – Has Clearing Service

If "Has Clearing Service" is checked, and only one clearing service is selected for the client, the clearing service details are set in the CCP and Product Type additional info on the VM contract.

These fields have to be manually populated on the VM contract otherwise.

IM Contract - Margining Scenario

You can select the following scenarios:

- OSA There is one Margin Call Contract per CCP and product type that handles initial margins for all clients for CCP facing contracts. If this contract already exists, it is not created again when a new client is added.
- ISA For SwapClear Members of LCH, it is also possible to have one Margin Call Contract per CCP, client, and product type that handles initial margins for CCP facing contracts.

See <u>Margin Calls Setup</u> for complete details on Margin Call Contracts setup requirements.

Authorization Mode

You can enable the Authorization mode for the Onboarding Manager.

Add "ClientOnboardingData" to the domain "classAuthMode". If the Authorization mode is enabled, new and modified client data will have to be authorized before being available.

You can authorize the data in the Onboarding Manager using **File > Load Pending Modifications**. Accept or reject the data as applicable. This is an all-or-nothing authorization.

Client Onboarding

Select a client template, and fill in the client information described below.

You can add more values for the following types of information, as needed:

- Contacts
- Clearing Houses
- Legal Entity Attributes
- Book Attributes
- Account Properties
- Account Attributes for Auto Accounts

The Onboarding Preview displays all the data that will be created.

📈 Client Onboarding Too	ol			_
File				
Client Information	I		Onboarding Preview	
Template	CLIENT_default			
Processing Org	CALYPUS]	±. Short Name	CLIENTB
⊕Legal Entity			Books	
⊕ Contact Details		Add	. Book Name	CLIENTB@CALYPUS
Clearing Houses		Add	Contact Details	
Time Zone	America/Los_Angeles			Default
⊡-Clearing Service	CME IRD	Remove	Accounts	
-Position Acco	AAA111		+-Account Name	CLIENTB@FCM_CALYPUS_CMEIRD
Margin Account	AAA222			CLIENTB@CCP_CALYPUS_CMEIRD
Trade Messa	trade message ref		. ⊕ Account Name	CLIENTB_AUTO_CASH@CALYPUS
Eligible Securi	eligible securities		Settlement Delivery Instructions	
Haircut Rule	haircut rule			Direct/CLIENTB_AUTO_CASH@CAL
Eligible CCY	[EUR, GBP, USD]		⊡⊡Internal	Internal
Adjusted CCY	adjusted currency		Margin Call Contracts	
Buffer				CLIENTB_CME_IRD
-Is ISA				
Ad-Hoc				
-Variation Margin		Add		
⊡-VM Contract		Remove		
Included Flows	flows			
Separate Pay				

Then click **Save Client** if you are satisfied with the results. A summary of the results will be displayed.

Fields Details

Fields		Description
Template		Select a client template. See "Client Template" for details.
Processing Org		Select the clearing member. See <u>Defining the Clearing Member</u> for details.
Legal Entity	Short Name Full Name Parent LE External Reference Country Holidays Location End of Day	Enter the client short name. Enter the client full name. Select a parent as needed (optional). Enter a client external reference as needed (optional). Select the country. Select the holiday calendars. Select the holiday calendars. Select the location timezone. Enter the EOD time. It must be an integer between 0 and 2359.

Fields		Description
	Reporting Currency	Select the currency used to convert amounts for the Total column in the client statement.
Contact Details	Contact Type Role Product Type Processing Org Last Name First Name Title Address Line 1 Address Line 2 Address Line 3 City State Zip Code Country Phone Fax Email Swift	Select the contact type, and define the contact details.
Clearing Houses	Time Zone Clearing Service	Select the timezone. Click to select a service used by the client. A service is a combination of the CCPs defined in domain "mccAdditionalField.CCP" and the product types defined in
	Position Account	domain "mccAdditionalField.PRODUCT_TYPE" Enter the account reference at the Clearing House (position account).
	Margin Account	 Enter the margin account at the Clearing House for EOD files. It corresponds to the following columns of the EOD files: CME IRSMR3 report - Column "A/C ID" CME Margin Summary report - Column "PBA" LCH Report86c report - Column "ClientAccountID"
	Segregated Account	Segregated account for SOD pass-through function – Column Account of REP00030 report.
	Trade Message Ref	Multiple positions accounts may share the same margin account. For LCH only, enter the account reference at the Clearing House for Cash Settlement trades.
	Eligible Securities	Select the static data filter that determines eligible securities.
	Haircut Rule Eligible CCY	Select the haircut rule if any. Select the eligible currencies.
Fields		Description
------------------	--------------------------------	---
	Adjusted CCY	Select the adjustment currency.
	Buffer	Check to define a buffer to apply to the initial margin. You can enter a contractual multiplier and/or a contractual amount, and a discretionary multiplier and/or a discretionary amount.
	Is ISA	Check for ISA accounts (individual client activity), or clear for ISO (clearing activity for their own individual clients).
	Book	For ISA accounts, select the client activity book.
	CCP Margin Account	Enter the account reference of the CCP facing IM margin call contracts for ISA structures.
	Ad-Hoc	Check for intraday margin calls.
	Valuation Date Frequency	Select the valuation frequency and valuation date time.
	Unallocated Excess	The system allows maintaining additional collaterals held at the clearing member by a given client, but not posted at the CCP, in a specific margin call contract. Check to create an additional margin call contract, and enter the details of the contract.
Variation Margin	Currencies	For Multi Ccy, select the currencies.
	Underlying Currencies	For Hybrid, select the currencies that follow the multi-currency scenario. The non-selected currencies apply the single-currency scenario.
	Included Flows	Select the flow types associated with the contract, or leave blank for ALL.
	Separate Payment	Check to add "Separate Settlements" sections to the Client Statement.
Additional	LE Attributes	Add attributes as needed.
Attributes	Book Attributes	
	Account Properties Clearing	
	Account Properties Cash	

4.5.2 Client Legal Entity

[NOTE: These are created by the Onboarding Manager]

Each client should be defined with the following roles:

- "CounterParty" for the trades
- A role for the payment of margin call trades We are using the role "Client" in this setup. It can also be "ExtCounterParty".
- "Statement Recipient" to generate client statements

From the Calypso Navigator, navigate to **Configuration > Legal Data > Entities** to define legal entities.

🟒 Legal Entity- V	ersion - 1 [140022SP	2/LAPTOP_	REL14/calypso	_user]		-	
Utilities Help							
Short Name	CLIENTB				Status	Enabled	•
Full Name Parent	CLIENT B				Role(s)	Client CounterParty Statement Recipient	
Country	UNITED STATES		•]			•
Inactive As From		User calyp	so_user				
Entered Date External Ref Holidays	03/20/2014 NYC	11:28:46 A	M Financial Non Finan 	Disable: cial	d Role(s)		

[NOTE: The client legal entity is created in status Disabled by default. You need to enable it in order to use it]

Click **Contact** to define at least one contact.

Click **Attributes** to set the following legal entity attributes:

Id	Processing Org	Legal Entity	Role	Attribute Type	Attribute Value
67199	CGM LLC	CLIENTB	ALL	ClearingReportingCurrency	USD

- OPTIONAL "Clearing Book" = <Client book name>
 See <u>Defining Books</u> for details The book is defined by default at the Clearing Account level instead.
- "ClearingReportingCurrency" = <Currency used to convert amounts for the Total column in the client statement>
- Attribute for LSOC CVR Static Data report: CFTCID (Required CFTC Reportable Number), LEID (Optional - US LEI of the client), OfficeCode (Optional) and CustAccountType (Optional - H for hedger, M for member, O for omnibus, or S for speculator).

2 Refer to the Calypso Clearing Member User Guide for information on the LSOC CVR Static Data report.

4.5.3 Client Accounts

[NOTE: These are created by the Onboarding Manager]

Client Facing Clearing Account

Mirror account of the CCP Facing Clearing Account.

You need a client account at the clearing member for each clearing house: position of the client at the clearing member per clearing house.

[NOTE: If the client has multiple accounts at the clearing house, you need to create an account for each client, for each clearing house, and for each account]

From the Calypso Navigator, navigate to **Configuration > Accounting > Accounts** to define accounts.

Define a SETTLE account with:

- Processing Org = <Clearing member name>
- LegalEntity = <Client/Affiliate name>
- Role = CounterParty
- Description = <ID of the CCP Facing Clearing Account>

- External Name = <Account reference at Clearing House (position account)> NOTE: For LCH it is the account reference for trades only.
- Create by Acc Engine only = Checked

Example for "MAPPING CUS01 CME-SWAP" – Repeat for each CCP/service and for each client.

Accounts Definition - Authorization mode OFF MAPPING CUS01 CME-SWAP / 141221 - version 9	
Account Utilities Reports Process Help	
Account Statements Attributes Interests Limits Consolidation, Translation/Revaluation Browse	
Account Name MAPPING CUS01 CME-SWAP Processing Org CALYPUS Ccy ANY Id 141221	
Type SETTLE Security Auto/Templat	te Acc
External Name AAAA Q Interface Rule Aggregate	•
Description 141250	
Legal Entity (F2) CUS01 Role CounterParty	•
Creation Date 6/14/13 9:52:39 AM Create by Acc Engine only Properties/Attributer	s (F4)
Closing Account Last Closing Date	
Parent Account Parent Id 0	
Image: Balance Freq DLY Day 1 Rule Roll END_MONTH	T
Account Statements Attributes Interests Limits Consolidation Translation/Revaluation	n Browse
Order Attribute	Value
1 - Book	

It is likely that maintenance fees will be charged to the account. The "Billing" checkbox should be checked in order to compute maintenance fees on the account.

See <u>Clearing Fees</u> for details.

Click **Properties/Attributes (F4)** to set the account attributes.

Name	Value 🗸
ClearingCashAccount	🔻 false
Propagate	false
AccountType	🔻 Client
Description	✓ Clearing
Clearing Book	CLIENTB@CGM LLC
CCPOriginCode	- CLIENT
InitialMarginAccount	- AAA222

- Attribute "CCPOriginCode" = CLIENT
- Attribute "InitialMarginAccount" = <Margin account at Clearing House for EOD files> It corresponds to the following columns of the EOD files:
 - CME IRSMR3 report Column "A/C ID"

- CME Margin Summary report Column "PBA"
- LCH Report86c report Column "ClientAccountID"

Multiple positions accounts may share the same margin account.

 OPTIONAL – Attribute "Clearing Book" = <Clearing Account book name> - It is set by the Onboarding Manager by default.

See <u>Defining Books</u> for details – The book can be defined at the Client / Clearing Member level instead.

- For LCH, attribute "LCHAccountName" = <Account reference at Clearing House for Cash Settlement trades>
- OPTIONAL Attribute "CCPAccountStructure" = ISA To allow the generation of the Condensed Account Clearing Statement for Client accounts.

CCP Facing Clearing Account

Mirror account of the Client Facing Clearing Account

Position of the client at the clearing house. You need one account for each client and for each clearing house.

[NOTE: If the client has multiple accounts at the clearing house, you need to create an account for each client, for each clearing house, and for each account]

From the Calypso Navigator, navigate to **Configuration > Accounting > Accounts** to define accounts.

Define a SETTLE account with:

- Processing Org = <Clearing member name>
- LegalEntity = <Clearing house name>
- Role = Agent
- Description = <ID of the Client Facing Clearing Account>
- External Name = <Account reference at Clearing House (position account)> NOTE: For LCH it is the account reference for trades only.
- Create by Acc Engine only = Checked

Example for "MIRROR MAPPING CUS01 LCH-SWAP" – Repeat for each CCP/service and for each client.

	ports Process Help
count Statements A	tributes Interests Limits Consolidation Translation/Revaluation Browse
Account Name	MIRROR MAPPING CUS01 LCH-SWAP
Processing Org	CALYPUS Ccy AUTO V Id 141226
Туре	SETTLE Security
External Name	GIGACALP_FUND3 Q Interface Rule Aggregate
Description	141227
Legal Entity (F2)	LCH Role Agent 💌
Creation Date	6/14/13 10:15:59 AM Create by Acc Engine only Properties/Attributes (F4)
Closing Account	Last Closing Date
	Parent Id 0

Account	Statements	Attributes	Interests	Limits	Consolidation	Translation/Revaluation	Browse	
Order					Attribute			Value
				1	- Book			

It is likely that maintenance fees will be charged to the account. The "Billing" checkbox should be checked in order to compute maintenance fees on the account.

See <u>Clearing Fees</u> for details.

Click **Properties/Attributes (F4)** to set the account attributes.

Name	Value $r_{\rm c}$
ClearingCashAccount	▼ false
AccountType	🔻 Client
Description	💌 Clearing
Clearing Book	CLIENTB@CGM LLC
CCPOriginCode	- CLIENT
InitialMarginAccount	AAA222

• **OPTIONAL** – Attribute "Clearing Book" = <Clearing Account book name> - It is set by the Onboarding Manager by default.

See <u>Defining Books</u> for details – The book can be defined at the Client / Clearing Member level instead.

- Attribute "CCPOriginCode" = CLIENT
- Attribute "InitialMarginAccount" <Margin account at Clearing House for EOD files>

It corresponds to the following columns of the EOD files:

- CME IRSMR3 report Column "A/C ID"
- CME Margin Summary report Column "PBA"
- LCH Report86c report Column "ClientAccountID"

Multiple positions accounts may share the same margin account.

 For LCH, attribute "LCHAccountName" = <Account reference at Clearing House for Cash Settlement trades>

Client Cash Accounts

You need a cash account for each client.

From the Calypso Navigator, navigate to **Configuration > Accounting > Accounts** to define accounts.

Define an automatic SETTLE accounts with:

- Processing Org = <Clearing member name>
- LegalEntity = <Client/Affiliate name>
- Role = CounterParty

Example for "Clearing Cash Flows CUS01" - Repeat for each client.

Accounts Definition	- Authorization mode OFF Clearing Cash Flows CUS01 / 262196 - version 3	
Account Utilities Re	eports Process Help	
Account Statements A	ttributes Interests Limits Consolidation Translation/Revaluation Browse	
Account Name	Clearing Cash Flows CUS01	
Processing Org	CALYPUS Ccy AUTO Id 262196	
Туре	SETTLE Security Auto/Template	Acc
External Name	Interface Rule Aggregate	•
Description	Clearing Cash Flows	
Legal Entity (F2)	CUS01 Role CounterParty	•
Creation Date	9/14/13 10:17:34 PM Create by Acc Engine only Properties/Attributes ((F4)
Closing Account	Last Closing Date	
Parent Account	Parent Id 0	
☑ Balance =req	DLY V Day 1 Rule Roll END_MONTH	•
Account Statements	Attributes Interests Limits Consolidation Translation/Revaluation Br	rowse
Order	Attribute	Value

1	▼ Constant	Clearing Cash Flows CUS01
2	 Constant 	-
3	 XferCcy 	

It is likely that interest will be paid on the account. The "Interest Bearing" checkbox should be checked in order to compute interest on the account balance.

Please refer to Calypso Cash Management documentation for details on setting up interest bearing.

Click **Properties/Attributes (F4)** to set the account attributes.

Account Attributes Window Clearing Cash Flows CUS01			
Name	Value 🗸		
Propagate	true		
ClearingCashAccount	▼ True		
CCPOriginCode	- CLIENT		

- Attribute "CCPOriginCode" = CLIENT
- Attribute "ClearingCashAccount" = True
- Propagate = true to propagate the attributes to the child accounts

Client - Cash DUMMY Account @ the Clearing Member

This account is used for interests that are not settled.

Accounts Definition -	Authorization mode OFF DUMMY CUS01 / 141258 - version 5	
Account Utilities Re	ports Process Help	
Account Statements At	tributes Interests Limits Consolidation Translation/Revaluation Browse	
Account Name	DUMMY CUS01	
Processing Org	CALYPUS Ccy AUTO V Id 141258	
Туре	SETTLE Security Auto/Template Acc	
External Name	Ω Interface Rule Aggregate ▼	
Description	DUMMY CUS01	
Legal Entity (F2)	CUS01 Role CounterParty 💌	
Creation Date	6/14/13 11:45:10 PM Create by Acc Engine only Properties/Attributes (F4)	
Closing Account	Last Closing Date	
Parent Account	Parent Id 0	
V Balance Freq	DLY Day 1 Rule Roll END_MONTH	
Account Statements	Attributes Interests Limits Consolidation Translation/Revaluation Browse	
Order	Attribute	Value
	1 v Constant	DUMMY CUS01

4.6 Defining an Internal (House) Counterparty

One or multiple internal counterparties are required for capturing house trades. Sample internal counterparty:

🗾 Legal Entity- V	ersion - 4 [1300039	5P1/cft	t-staging-13	30003s	p1/calyp	so_us	er]	
Utilities Help								
Short Name	СТІ				1	Status	Enabled	•
Full Name	Calypso Trading Inc				F	Role(s)	Client	
Parent	CGM LLC						CounterParty	
Country	UNITED STATES		•					
Inactive As From		User	calypso_user					
Entered Date	06/19/2012	2:16:1	13 PM					
External Ref			_		Disabled	Role(s)		
Holidays	NYC			iancial n Financ	ial			

You also need to add the role "Statement Recipient" if you want to generate client statements.

Ī	Id	Processing Org	Legal Entity	Role	Attribute Type	Attribute Value
	1114	ALL	CTI	ALL	Clearing Book	CTI@CGM

The setup is the same as an individual client with the following differences:

- Clearing Book = <Internal Counterparty book name>
 - See <u>Defining Books</u> for details The book can be defined at the Clearing Account level instead.
- **OPTIONAL** –StatementCashBreakDown = true to display a Deficit/Excess cash section in the Condensed Account Clearing Statement for house accounts.
- **OPTIONAL** Book attribute BookType = House (optional attribute to identify House activity in filters)

Internal Counterparty clearing accounts: CCP Facing Clearing Account and Client Facing Clearing Account

- Account attribute CCPOriginCode = HOUSE
- OPTIONAL Account attribute Clearing Book = <Clearing Account book name>
 See <u>Defining Books</u> for details The book can be defined at the Internal Counterparty / Clearing Member level instead.

Sample CCP Facing Clearing Account:

Acc	ount Statements At	tributes Interests Limits Consolidation Translation/Revaluation Browse
	Account Name	CTI-CME Call Account
	Processing Org	CGM LLC Ccy AUTO Id 1133
	Туре	SETTLE Security Auto/Template Acc
	External Name	4A1HOUSE Q Interface Rule Aggregate 💌
	Description	1132
	Legal Entity (F2)	CME Role Agent 💌
	Name	Value 🗸
Acco	ountType	House
CCP	OriginCode	▼ HOUSE
Initia	alMarginAccount	4A 1HOUSE
Sam	ple Client Facing Cle	aring Account @ Clearing Member:
Acc	ount Statements A	ttributes Interests Limits Consolidation Translation/Revaluation Browse
	Account Name	CTI-CGM-CME
	Processing Org	CGM LLC Ccy AUTO V Id 1132
	Туре	SETTLE Security Auto/Template Acc
	External Name	4A1HOUSE Q Interface Rule Aggregate 💌
	Description	1133
	Legal Entity (F2)	CTI Role CounterParty

Name	Value 🗸
AccountType	House
CCPOriginCode	✓ HOUSE
InitialMarginAccount	4A 1HOUSE

Internal Counterparty cash account @ Clearing Member: same as Client cash account @ Clearing Member with:

- LegalEntity = <Internal Counterparty name>
- Attribute CCPOriginCode = HOUSE

4.7 On-Boarding an Omnibus Client

Omnibus Client Setup Requirements

On-boarding an omnibus client requires the following settings:

- An Omnibus Client legal entity
- Child Client legal entities
- OPTIONAL A book that contains client trades (dedicated book, or shared book across multiple clients)
- A Client Clearing account at the clearing house for each clearing house. This account is linked to the Client Clearing account at the clearing member through the account description.
- A Client Clearing account at the clearing member for each clearing house. This account is linked to the Client Clearing account at the clearing house through the account description.
- A Client Cash account for each currency.

4.7.1 Omnibus Client Legal Entity

Each omnibus client should be defined with the role "CounterParty" for the trades, and the role "Client" for the payment of margin call trades.

You also need to add the role "Statement Recipient" if you want to generate client statements.

From the Calypso Navigator, navigate to **Configuration > Legal Data > Entities** to define legal entities.

📕 Legal Entity - ۱	Version - 1 (User: calypso_user)	_ 🗆 🗵
Utilities Help		
Short Name	OMNI_A Status Enabled	-
Full Name	Role(s) CounterParty	
Parent	ExtCounterParty	
Country	NONE	
Inactive As From	User calypso_user	
Entered Date	10/15/2012 6:13:43 PM	
External Ref	Disabled Role(s)	
Holidays	Financial Non Financial	

Click **Contact** to define at least one contact.

4.7.2 Child Client Legal Entities

Each child client should be defined with the role "CounterParty" for the trades, and have the omnibus client as a parent.

You also need to add the role "Statement Recipient" if you want to generate client statements.

From the Calypso Navigator, navigate to **Configuration > Legal Data > Entities** to define legal entities.



Click **Contact** to define at least one contact.

Click **Attributes** to set the following legal entity attributes:

Id	Processing Org	Legal Entity	Role	Attribute Type 🔬		Attribute Value
66684	ALL	OMNI_CPTY_A2	ALL	Clearing Book	OMNI.	_A2
66685	ALL	OMNI_CPTY_A2	ALL	ClearingReportingCurrency	USD	

• **OPTIONAL** - "Clearing Book" = <Client book name>

See <u>Defining Books</u> for details – The book can be defined at the Clearing Account level instead.

 "ClearingReportingCurrency" = <Currency used to convert amounts for the Total column in the Client Statement>

4.7.3 Omnibus Accounts

Child CCP Facing Clearing Account

The clearing account is at the Child Client level. Position of the client at the clearing house. You need one account for each client and for each clearing house.

Mirror account of the Child Client Facing Clearing Account.

It is the same as an individual client clearing account with:

LegalEntity = <Child client name>

See <u>CCP Facing Clearing Account</u> for setup details.

Child Client Facing Clearing Account

Mirror account of the Child Client Facing Clearing Account.

You need a child client account at the clearing member for each clearing house: position of the client at the clearing member per clearing house.

It is the same as an individual client clearing account with:

• LegalEntity = <Child client name>

See <u>Client Facing Clearing Account</u> for setup details.

Child Client Cash Accounts

You need a cash account for each child client and for each currency.

It is the same as an individual client cash account with LegalEntity = Child Client name

See <u>Client Cash Accounts</u> for setup details.

Section 5. Settlement and Delivery Instructions

The settlement and delivery instructions (SDIs) drive the trade transfers to the Calypso accounts.

Sample SDIs flow for house activity and individual client activity (this diagram only shows the SDIs that impact Calypso accounts).



From the Calypso Navigator, navigate to **Configuration > Settlements > Delivery Instructions** to define SDIs.

5.1 CCP Settlement Instructions

Beneficiary = CME

Role = CounterParty

List of settlement instructions – Sample setup is provided below.

SDI Name	Method	Agent	Currencies	Products	GL Account	SD Filter
SWIFT/HARRIS BANK/Harris Bank	SWIFT	HARRIS BANK	ANY	ANY		
Internal/CME/Internal SDI for trading activity	Internal	CME	ANY	G.ClearingProducts		XferType_Interest/Upfront_Fee

SDI Name - Description	Method	Agent	ССҮ	Product	Calypso Account
Internal/CME/Internal SDI for trading activity	Internal	СМЕ	ANY	G.ClearingProducts	N/A
SWIFT/HARRIS BANK/ HARRIS BANK	SWIFT	HARRIS BANK	ANY	ANY	N/A
Cash payments between clearing member and CCP.					

Beneficiary = LCH

Role = CounterParty

List of settlement instructions – Same as CME settlement instructions.

SDI Name - Description	Method	Agent	ССҮ	Product	Calypso Account
Internal/LCH/Internal SDI for trading activity	Internal	LCH	ANY	G.ClearingProducts	N/A
SWIFT/HARRIS BANK/HARRIS BANK Cash payments between clearing member and CCP.	SWIFT	HARRIS BANK	ANY	N/A	N/A

CCP - Sample "Internal/CME/Internal SDI for trading" Settlement Instructions

Edit Attributes (& Notes Browse			
SDI Id	66197			
Reference	66197	Cash/Security	вотн	•
Role	CounterParty 🗸	Contact	Default	•
Beneficiary	CME	Processing Org	ALL	•
Benef. Name		Products	G.ClearingProducts	
Ccy	ANY	SD Filter	XferType_Interest/Upfront_Fee	
Pay/Rec	BOTH	Trade CounterParty	ALL	
Description	Internal/CME/Internal SDI for trading	activity	Preferred Priority	0
📃 Link SDI				
Method Ir	ternal 🔹 Add	Direct	Effective From	
Identifier			Effective To	
			by Irade Date	
		7		
Agent: CME	[intermediary] [intermediary2] Direc			
Code CME		A/C Internal SDI for trac	ding activity	📄 Msg
Contact	Default 👻 GL /	A/C		

This SDI does not impact any account in Calypso.

Static data filter XferType_Interest/Upfront_Fee

🔏 Static Da	ata Filter Win	low [140022SP2/LAPTOP_REL14/calyp	oso_user]
Name:	XferType_Int	rest/Upfront_Fee	Att
Comment:			
Groups:	ANY		
Attribute	Criteria	Filter Value(s)	
Xfer Type	⊤ IN	CAdd COMMISSION, FEE, INTEREST, TE	RMINATION_FEE,UPFRONT_FEE

CCP - Sample "SWIFT/HARRIS BANK/HARRIS BANK" Settlement Instructions

Cash payments between the clearing member and the CCP.

Edit Attributes 8	Notes Browse						
SDI Id	1304						
Reference	CME-SWIFT		Cash/Security	вотн	-		
Role	CounterParty		Contact	Default	•		
Beneficiary	СМЕ		Processing Org	ALL	-		
Benef. Name			Products	ANY			
Ccy	ANY		SD Filter				
Pay/Rec	BOTH		Trade CounterParty	ALL			
Description	SWIFT/HARRIS BANK/HARRIS BA	ANK		Preferred Priority		0	
🕅 Link SDI							
Method S	VIFT	Add	🗖 Direct	Effective From			
Identifier				Effective To			
Idenciner J		···		🗖 by Trade Date			
Agent: HARRIS BANK [intermediary] [intermediary2] Direct							
	BANK	A/C	HARRIS BANK			🥅 Msg	

This SDI does not impact any account in Calypso.

5.2 EMIR Segregated Accounts

For SwapClear Members of LCH, clients can choose to hold deposits of collateral that cover Initial Margin requirements into separate accounts.

Margin Call Contracts

In order to allow this, the individual CCP-facing IM contracts must be created for each client who wants a separate account (each unique EMIR Account). On this IM contact, the CCP_REFERENCE must be set to the LCH client's sub-account number instead of "C". The LCH client's sub-account number can be found in the "Account" column of LCH Report86c report, or Report 33a for intraday margins. The CCP_REFERENCE must match the Account value in this report in order to import the Initial Margin from that row of the report.

See <u>Clearing Member Contracts – CCP Facing Contracts</u> for details.

CCP Settlement Instructions

CCP settlement instructions must be added to populate the separate account. One for each client.

Settlement D	elivery Instruc	tions [130007	SP2/CLE	ARING 2	29/] (User	r: slee))			
Utilities Help										
Edit Attributes	& Notes Browse	•								
SDI Id		277302								
Reference		277302		Cas	h/Security	BOTH			•	
Role	CounterParty	-			Contact	Defau	lt		*	
Beneficiary	ІСН			Proc	essing Org	ALL			•	
Benef. Name	:				Products	ANY				
Ccy	ANY				SD Filter	05.CC	LLATERAL-	GIG004DIS	iΑ	
Pay/Rec	BOTH	-		Trade Cou	unterParty	ALL				
Description	HARRIS BANK,	LCH NOSTRO AG	COUNT O	F GIG004	DISA	🔽 Pre	ferred	Priority		0
🔲 Link SDI										
Method S	WIFT	~	Add	🗖 Di	irect	Effectiv	ve From			
Identifier						Effectiv	ve To			
						🗆 by	Trade Date	,		
Agent: HARRI	S BANK [interm	ediary] [[interm	ediary2]	Direct						
	5 BANK		A/C	LCH NOS	TRO ACCO		F GIG004D)	ISA		🕅 Msg
🛃 Static Data	a Filter Wind	ow [130007	SP2/CL	EARIN	G 29/1	(User	: slee)		_ [□]	×
_							,			
Name: 05	.COLLATERAL	-GIG004DISA		Attri	butes		Si	imulate		
Comment:							Pen	ding Mod	ifs	
Groups: AN	IY]						-
										7
Attrib	oute	Cri	teria			F	Filter Valu	e(s)		
IN Static Data I	Filter	▼ IN			Add	05.C	OLLATER	AL		-
Margin Call Cor	itract Id	▼ INT_ENUM	ERATION	N		▶ 33	7892]

The attribute "Margin Call Contract Id" in the Static Data Filter is the CCP-facing IM contract created for the client where the CCP_REFERENCE is set to the LCH client's sub account ("Account" column of LCH Report86c).

🥖 Margin Call Windo	ow - Version - O (User: slee)							_ 🗆 ×
Margin Call Config U	til Help								
Edit Browse									
Name : Description :	IM CALYPUK-C LO	TH GIG004DIS	A A	337892	p		Subtype : Parent :	Master	· •
Additional Info	Eligible Books Details	Eligible S	ecurities es & Times	Eligible Cur	rencies Initial	Concer Margin	itration	Optimization Independ	Child Configurations ent Amount
■ ●‡ ₽‡			Ratin	igs		₽₿			Ratings
Processing Org	I			_	🗆 Legal	Entity			▲
Role	Pr	ocessingOrg			Role			CounterParty	
Processing Org	G				Legal E	intity		LCH	Hause
E Collateral Type	:	ALYPOK		- 1	E Collat	ne eral Type	:	London Clearing	nouse
🗉 Others									
CCP			LCH						
CCP_ORIGIN_C	ODE		CLIENT						
			CTCODADTC.						

CCP_REFERENCE GIG004DISA

5.3 Clearing Member Settlement Instructions

Beneficiary = <Clearing Member name>

Role = ProcessingOrg

List of settlement instructions – Sample setup is provided below.

SDI Name 🔎	Method	Agent	Currencies	Products	GL Account	SD Filter
Direct/CGM LLC/CGM_SETTLE_ACCOUNT	Direct	CGMILLC	ANY	ANY	CGM_SETTLE_ACCOUNT	
Internal/CME/Dummy Account	Internal	CME	ANY	G.ClearingProducts	CGM-CLIENT	XferType_Interest/Upfront_Fee
SWIFT/HARRIS BANK/CGM-USD-NOSTRO-CLIENT	SWIFT	HARRIS BANK	USD	ANY	CGM-USD-NOSTRO-CLIENT	SDI_ClientTrades
SWIFT/HARRIS BANK/CGM-USD-NOSTRO-HOUSE	SWIFT	HARRIS BANK	USD	ANY	CGM-USD-NOSTRO-HOUSE	SDI_HouseTrades

SDI Name - Description	Method	Agent	ССҮ	Product	Calypso Account
Direct/Clearing Member/Dummy Client Account CASH_SETTLEMENT trades between clearing member and client.	Direct	Clearing Member	ANY	ANY	Dummy Client Account
Internal/CME/Dummy Account for Swaps/FRAs/FXNDFs Internal/LCH/Dummy Account for Swaps/FRAs Trades between clearing member and CCP.	Internal	CME LCH	ANY	Swap, FRA, FXNDF	Dummy Account @CME Dummy Account @LCH
[NOTE: Repeat for each CCP]					
SWIFT/HARRIS BANK/Clearing Member HOUSE NOSTRO USD Cash payments between clearing	SWIFT	HARRIS BANK	USD	ANY	Clearing Member HOUSE NOSTRO USD
[NOTE: Repeat for each currency]					

SDI Name - Description	Method	Agent	ССҮ	Product	Calypso Account
SWIFT/HARRIS BANK/Clearing Member CLIENT NOSTRO USD	SWIFT	HARRIS BANK	USD	ANY	Clearing Member CLIENT NOSTRO
Cash payments between clearing member and CCP for client trades.					USD
[NOTE: Repeat for each currency]					

Clearing Member - Sample "Direct/Clearing Member/Dummy Client Account" Settlement Instructions

Edit Attributes	& Notes Browse			
SDI Id	2559			
Reference	CGM-Direct	Cash/Security	вотн	-
Role	ProcessingOrg	Contact	Default	-
Beneficiary		Processing Org	ALL	-
Benef. Name		Products	ANY	
Ссу	ANY	SD Filter		
Pay/Rec	BOTH	Trade CounterParty	ALL	
Description	Direct/CGM LLC/CGM_SETTLE_ACCOU	INT	Preferred Priority	0
🔲 Link SDI				
Method D	irect 💽 Add		Effective From	
Identifier		_	Effective To	
Identifier [🗖 by Trade Date	
Agent: CGM LL	C] [intermediary] [[intermediary2] [[Direct		
Code CGM LL	c		DUNT	🔽 Msg
Contact	Default 💽 GL (DUNT	

CASH_SETTLEMENT trades and margin call trades between the clearing member and the client.

Clearing Member - Sample "SWIFT/HARRIS BANK/Clearing Member HOUSE NOSTRO USD" Settlement Instructions

House CASH_SETTLEMENT trades and margin call trades between the clearing member and the CCP. Sample for USD - Repeat for each currency.

Edit Attributes	& Notes Browse							
SDI Id	1303							
Reference	1303		Cash/Securi	ty BOTH		Ŧ		
Role	ProcessingOrg 💌		Conta	ct Default		Ŧ		
Beneficiary	CGMILC		Processing O	rg ALL		~		
Benef. Name			Produc	ts ANY				
Ссу	USD		SD Filt	er SDI_HouseT	rades			
Pay/Rec	BOTH		Trade CounterParl	ty ALL				
Description	SWIFT/HARRIS BANK/CGM-USD-	NOSTRO-I	HOUSE	✓ Preferred	l Priority	0)	
🔲 Link SDI								
Method S	WIFT	Add	Γ	Effective Fro	m			
Identifier				Effective To				
				🗌 by Trade	Date			
Agent: HARRI	S BANK [[intermediary]] [interme	ediary2]	Direct					
	BANK	A/C	CGM-USD-NOSTR	O-HOUSE			Msg	
Contact	Default 🗾	GL A/C	CGM-USD-NOSTR	O-HOUSE				
Static data filter to filter house trades:								
🕌 Static Da	ta Filter Window [13000	35P1/c	ft-staging-13	30003sp1/]				
Name:	DI_HouseTrades		Attribut	es	Simulate	ə		

	Comment:			Pending Modifs		
	Groups: ANY					
Γ	Attribute	Criteria		Filt	er Value(s)	
Ē	OOK_ATTRIBUTE.BookType	- IN	Add	House,House	:@CME	
I	N Static Data Filter	⊤ IN	Add	SDI_NotSwap)	

Clearing Member - Sample "SWIFT/HARRIS BANK/Clearing Member CLIENT NOSTRO USD" Settlement Instructions

Client CASH_SETTLEMENT trades and margin call trades between the clearing member and the client. Sample for USD - Repeat for each currency.

Edit Attributes	& Notes Browse					
SDI Id	1301					
Reference	1301		Cash/Security	ВОТН	-	
Role	ProcessingOrg		Contact	Default	Ŧ	
Beneficiary	CGM LLC		Processing Org	ALL	~	
Benef. Name			Products	ANY		
Ccy	USD		SD Filter	SDI_ClientTrades		
Pay/Rec	BOTH		Trade CounterParty	ALL		
Description	SWIFT/HARRIS BANK/CGM-USD-	NOSTRO	-CLIENT	Preferred Priority		0
🔲 Link SDI						
Method S	WIFT	Add		Effective From		
Identifier		1		Effective To		
				🔲 by Trade Date		
Agent: HARRI:	5 BANK [intermediary] [interme	ediary2]	Direct			
	BANK	A/C	CGM-USD-NOSTRO	-CLIENT		🔽 Msg
Contact	Default 💌	GL A/C	CGM-USD-NOSTRO	-CLIENT		

Static data filter to filter client trades:

Static Data Filter Window [1300035P1/cft-staging-130003sp1/]									
	Attribute	es	Simulate						
			Pending M	odifs					
Criteria		Filte	r Value(s)						
- IN	Add	Client, Clier	nt@CME						
▼ IN	Add	SDI_NotSv	wap						
	BOOD3SP1/cft-	30003SP1/cft-staging-13 Attribute Criteria ▼ IN Add ▼ IN Add	Attributes Criteria Criteria IN Add Client,Clie SDI_NotSv	30003SP1/cft-staging-130003sp1/] Attributes Simulate Pending M Criteria Filter Value(s) VIN Add Client, Client@CME VIN Add SDI_NotSwap					

Clearing Member – Sample "Internal/CME/Dummy Account for Swap SDI" Settlement Instructions

It can also be used for FRAs and FXNDFs as needed.

Trades between the clearing member and the CCP.

Example for CME - Repeat for each CCP.

Edit Attributes 8	& Notes Browse				
SDI Id	66216				
Reference	66216		Cash/Security	BOTH	•
Role	ProcessingOrg		Contact	Default	•
Beneficiary	CGM LLC		Processing Org	ALL	-
Benef. Name			Products	G.ClearingProducts	
Ccy	ANY		SD Filter	XferType_Interest/Upfront_Fee	
Pay/Rec	BOTH		Trade CounterParty	ALL	
Description	Internal/CME/Dummy Account			V Preferred Priority	0
📃 Link SDI					
Method In	iternal 💌	Add		Effective From	
Identifier]		Effective To	
				🔲 by Trade Date	
Agent: CME	[intermediary] [intermediary2]	Direct			
Code CME		A/C	Dummy Account		🔽 Msg
Contact	Default 👻	GL A/C	CGM-CLIENT		

Same static data filter as for CCP Settlement Instructions.

5.4 Individual Client Settlement Instructions

Beneficiary = <Client name>

Currencies = ANY

List of settlement instructions – Sample setup is provided below.

SDI Name	Method	Agent	Currencies	Products	GL Account	SD Filter
Direct/CLIENT_1_AUTO_CASH@CGM LLC	Direct		ANY	ANY	CLIENT_1_AUTO_CASH@CGM LLC	XferType_NOT_Int/Upfront_Fee
Internal/CME/Dummy Account	Internal	CME	ANY	G.Clearing Products		XferType_Interest/Upfront_Fee

Role = CounterParty

SDI Name - Description	Method	Agent	Currencies	Products	Calypso Account
Direct/Client Cash Account	Direct	N/A	ANY	ANY	Client Cash Account
CASH_SETTLEMENT trades between clearing member and client.					
Margin call trades between clearing member and client.					
[NOTE: Repeat for each client]					

SDI Name - Description	Method	Agent	Currencies	Products	Calypso Account	
Internal/CME/Dummy Account	Internal	CME	ANY	G.Clearing Products	N/A	
Trades between clearing member and client.		Len				
[NOTE: Repeat for each CCP]						
[NOTE: Repeat for each client]						

Role = Client

SDI Name - Description	Method	Agent	Currencies	Products	Calypso Account	
SWIFT/HARRIS BANK/Client Margin call trades (external nostro instructions).	SWIFT	HARRIS BANK	ANY	ANY	N/A	
[NOTE: Repeat for each client]						

Individual Client - Sample "Direct/Client CASH USD" Settlement Instructions

CASH_SETTLEMENT trades and margin call trades between the clearing member and the client - Direct SDI, with DDA = Client Cash Account @ Clearing Member.

Edit Attributes 8	& Notes Browse
SDI Id	67208
Reference	57208 Cash/Security BOTH
Role	CounterParty Contact Default
Beneficiary	CLIENTB Processing Org CGM LLC
Benef. Name	Products ANY
Ccy	ANY SD Filter XferType_NOT_Int/Upfront_Fee
Pay/Rec	BOTH Trade CounterParty ALL
Description	Direct/CLIENTB_AUTO_CASH@CGM LLC Vertex Priority 0
📄 Link SDI	
Method Di	irect Add Direct Effective From
Identifier	Effective To
Identifier	by Trade Date
[agent] [inter	rmediary] [intermediary2] Direct
DDA CLIE	NTB_AUTO_CASH@CGM LLC

Example for USD – Repeat for each client – Repeat for each currency.

Individual Client - Sample "Internal/CME/Dummy Account" Settlement Instructions

Trades between the clearing member and the client.

Example for CME – Repeat for each CCP – Repeat for each client.

Edit	Attributes (& Notes	Browse									
	SDI Id			67	7209							
	Reference			57	7209		Cast	h/Securit	:y	BOTH	•	
	Role	Counter	Party		•			Contac	ct	Default	•	
	Beneficiary	CLIENTE	}				Proce	essing Or	g	CGM LLC	•	
В	enef. Name							Product	ts	G.Clearing Products		
	Ccy	ANY						SD Filte	er	XferType_Interest/Upfront_Fee		
	Pay/Rec	BOTH			•		Trade Cou	interPart	у	ALL		
	Description	Internal	/CME/null						[V Preferred Priority		0
] Link SDI											
	Method Ir	iternal			•][Add	🔲 Dir	rect	E	Effective From		
ь	dentifier								E	Effective To		
										📄 by Trade Date		
Ag	ent: CME	intermed	liary] [in	termedia	ry2]	Direct						
Co	de CME					A/C						Msg

This SDI does not impact any account in Calypso.

Individual Client - Sample "SWIFT/HARRIS BANK/Client" Settlement Instructions

Client external Nostro instructions for margin call trades.

The Nostro instructions are defined for the client with role "Client".

Example for Client A – Repeat for each client.

Edit Attributes 8	k Notes Browse			
SDI Id	2522			
Reference	CLIENTA-SWIFT	Cash/Security	BOTH]
Role	Client	Contact	Default]
Beneficiary	CLIENT A	·· Processing Org	CGM LLC	J
Benef. Name		Products	ANY]
Ccy	ANY	SD Filter		
Pay/Rec	BOTH	Trade CounterParty	ALL	
Description	SWIFT/HARRIS BANK/CLIENT A- SW	VIFT	Preferred Priority	0
🕅 Link SDI				
Method S	VIFT A	dd 🛛 🗖 Direct	Effective From	
Identifier			Effective To	
		' _	Dy Trade Date	
Agent: HARRIS	5 BANK [[intermediary]] [intermedia	ary2] Direct		
Code HARRIS	BANK	A/C CLIENT A- SWIFT		Msg

This SDI does not impact any Calypso account.

5.5 Omnibus Client Settlement Instructions

Beneficiary = <Child Client name>

Role = CounterParty

SDI Name - Description	Method	Agent	Currencies	Products	Calypso Account
Internal/CME/CME Internal/LCH/LCH	Internal	CME LCH	ANY	Swap, FRA, FXNDF	N/A
Trades between clearing member and child client.					
[NOTE: Repeat for each CCP]					
[NOTE: Repeat for each client]					

Beneficiary = <Omnibus Client name>

Role = CounterParty

SDI Name - Description	Method	Agent	Currencies	Products	Calypso Account
Direct/Omnibus Client CASH USD CASH_SETTLEMENT trades between clearing member and child client.	Direct	N/A	USD	ANY	Omnibus Client Cash USD

SDI Name - Description	Method	Agent	Currencies	Products	Calypso Account
Margin call trades between clearing member and omnibus client.					
[NOTE: Repeat for each currency]					
[NOTE: Repeat for each client]					

[NOTE: In order for the above SDIs to be selected for CASH_SETTLEMENT trades with the child client, and margin call trades with the omnibus client, the environment property LOOK_PARENT_SDI must be set to True]

Beneficiary = <Omnibus Client name>

Role = Client

SDI Name - Description	Method	Agent	Currencies	Products	Calypso Account
SWIFT/HARRIS BANK/Omnibus Client	SWIFT	HARRIS BANK	ANY	ANY	N/A
Margin call trades (external nostro instructions).					
[NOTE: Repeat for each client]					

Section 6. Margin Calls Setup

Margin calls are handled through the Collateral Management module, which allows allocating margin calls on initial margins and variation margins.

Initial margins (IM) are imported into the system as Collateral Exposure trades, based on Margin Call Contracts configurations. For clearing member contracts (CCP-facing contracts), there is one Collateral Exposure trade per Margin Call Contract and per client. For client contracts, there is one Collateral Exposure trade per Margin Call Contract.

Variation margins (VM) are represented by the cash positions of the client cash accounts.

Margin calls on initial margins and variation margins are computed in cash by the COLLATERAL_MANAGEMENT scheduled task, and are reported on the client statements. The clients can choose how to meet the margin calls: in cash, securities, or both.

Haircut Rules

You can define haircut rules for foreign currencies and securities as specified by the CCP rules prior to defining margin call contracts.

From the Calypso Navigator, navigate to **Fees, Haircuts, & Margin Calls > Haircut Rule** to define haircut rules – Help is available from that window.

6.1 CCP Facing Contracts

Initial Margin

The clearing member contracts are used to store the initial margin on the positions of the clearing member at the CCP.

Initial margin requirements being segregated for house and client activity, it is required to define margin call contracts for each Clearing Member/CCP/activity combination.

- For house activity, there is one Margin Call Contract per CCP and product type that handles initial margins.
- For client activity we model as many ccp-facing margin contracts as segregation levels (e.g. omnibus accounts, individual segregated accounts, etc.).

For SwapClear Members of LCH, it is also possible to have one Margin Call Contract per CCP, client, and product type that handles initial margins. The client can decide whether to have segregated accounts or not.

The initial margins can be stored in the base currency of the Margin Call Contract, or in the native currency. Margin calls are computed in the corresponding currency, and can be substituted to collateral securities.

The actual margin calls are represented by margin call trades.

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Margin Call** to define margin call contracts.

Variation Margin

By default, there is no need to define variation margin contract as the variation margin is automatically settled in cash with the CCP. However, you can also setup variation margin contracts with the CCP in order to use the Collateral Manager to generate margin call trades, and allocate the margin calls in cash or security. These variation margin contracts should be defined in the same manner as the client variation margin contracts with or without breakdown of Variation Margin Components.

A sample setup is provided below.

6.1.1 CCP Facing - Initial Margin Contracts

On these contracts, the legal entity configured in the contract is the CCP. These contracts are meant to represent the margin requirements between the clearing member and the CCP. There are two types of ccp-facing contracts:

- House CCP-Facing
- Client CCP-Facing

The House CCP-Facing contract will represent the margin requirements for the house activity.

The number of Client CCP-Facing contracts is driven by the different types of segregation of the customers: e.g. Omnibus accounts, ISA accounts.

Example

A Clearing Member (represented by the PO in Calypso) has the following clients:

Undisclosed Customers:

Client1 and Client2

Disclosed Clients

CUS01 and CUS02 (both clients benefit from the full segregation e.g. ISA accounts)

We would model the IM margin call Client CCP-Facing in Calypso as follows:

- One contract representing the Omnibus Account (including Client1 and Client2)
- One contract representing customer CU01
- One contract representing CUS02

Sample of House/Client CCP-Facing Contract:

Tab: Fields	Client Activity	House Activity
Parties: Processing Org	<clearing member=""></clearing>	<clearing member=""></clearing>
Parties: Legal Entity	<ccp></ccp>	<ccp></ccp>
Parties: Legal Entity Role	Counterparty	Counterparty
Details: Products	CollateralExposure	CollateralExposure
Details: Currency	<cleared currencies=""></cleared>	<cleared currencies=""></cleared>
Details: End of Day Pricing Environment	<your environment="" pricing=""></your>	<your environment="" pricing=""></your>
Details: Intraday Pricing Environment	<your environment="" pricing=""></your>	<your environment="" pricing=""></your>
Details: Contract Type	Client@[CCP]	House@[CCP]
Details: Haircut	<haircut rule=""></haircut>	<haircut rule=""></haircut>
Dates & Time: Valuation Time Zone	Same as pricing environment time zone	Same as pricing environment time zone
Dates & Time: Valuation Date Frequency	<rule date<br="" for="" valuation="">frequency></rule>	<rule date<br="" for="" valuation="">frequency></rule>

Tab: Fields	Client Activity	House Activity
Dates & Time: Valuation Time Offset	<rule for="" offset="" time="" valuation=""></rule>	<rule for="" offset="" time="" valuation=""></rule>
Initial Margin: Initial Margin option	Checked	Checked
Additional Info: CCP	<ccp></ccp>	<ccp></ccp>
Additional Info: CCP_REFERENCE	CLIENT (Omnibus Accounts) or ISA Account	HOUSE
Additional Info: PRODUCT_TYPE	This is also known as the clearing service. Values are configured in the domain <mccadditionalfield.product_ TYPE</mccadditionalfield.product_ 	This is also known as the clearing service. Values are configured in the domain <mccadditionalfield.product_ TYPE</mccadditionalfield.product_
Additional Info: MARGIN_TYPE	IM	IM
ELIGIBILITY Eligible Book -> Set Default Book	Checked	Checked
ELIGIBILITY Eligible Book -> Books	<clearing book="" client="" member=""></clearing>	<clearing book="" house="" member=""></clearing>
ELIGIBILITY Eligible Securities	Add one or more bond filters	Add one or more bond filters
ELIGIBILITY Eligible Currencies	<base currency=""/> <list collateral<br="" eligible="" of="">currencies></list>	<base currency=""/> <list collateral<br="" eligible="" of="">currencies></list>

Parties: Legal Entity

This is the Clearing House.

Details: Contract Type

This is useful in the case the user needs to filter the margin contracts per CCP AND [client or house].

The recommended format is: Client/House>@<CCP>

Examples:

- Client@CME
- House@LCH, etc.

Dates & Time: Valuation Date Frequency

Recommended rule:

🔀 Date Rul	les							x
Name	COL_MIG	R_DAILY_B	US		Туре	DAILY		•
Day	0	Add I	Days 0		WeekDay	NONE		-
Month	JAN				Rank	NONE		-
Sel	ect All		JnSelect All		Date Roll	FOLLOW	ING	•
📃 Jan	Feb	Mar 📃	Add Relative Months	0	Bus	Cal	Bus Da	avs
Apr	May	📃 Jun	Add Relative Horidia	<u> </u>	0			.,-
🔲 Jul	📄 Aug	Sep	Relative Type:	_	Holiday	s		
Oct	Nov	Dec	Absolute	•		Che	eck Holiday	
			Л					

Dates & Time: Valuation Time Offset

Re	comm	ended ru	ıle:					
	Date Rul	es						x
	Name	COL_MIGR_VA	L_REL		Туре	RELATIVE		•
	Day	0	Add Days -1		WeekDay	NONE		•
	Month	JAN	-		Rank	NONE		-
	Sel	ect All	UnSelect All		Date Roll	PRECEDI	NG	•
	Jan	Feb N	Add Relative Month	ns O	Bus	🔊 Cal	Bus Da	ys
	Jul	Aug S	Relative Type:		Holiday	s	(
	Oct	Nov [Dec	T		Che	ck Holiday	
	Rela	ative COL_MIG	R_DAILY_BUS		30569	5		

Example:

Parties Details Dates & Times	Initial Margin	Independent Amount	Eligibility	Concentration	Optimization	Configurations	Linked (
■ ●‡ ₽‡							
Valuation							
• Valuation Agent Type							
Valuation Date Frequency						COL_MIGR_DAIL	Y_BUS
Valuation Time Offset						COL_MIGR_VAL_	REL
Valuation Time						6:00 pm	

Additional Info: CCP REFERENCE

Valuation Time Zone

By default we configure CLIENT or HOUSE as needed but for European CCPs, clients that benefit from full segregation (ISA accounts) must be represented individually in a ccp-facing margin call contracts or through their position accounts.

Examples for Pre-CDML: LCH

Configure this filed with values from the column "Account" in the report RPT86c/Report 33a)

Examples for Post CDML (any CCP)

Configure this field from the value in the element <segregationAccount> of the initialMargin CDML report.

America/New_York

ССР	CCP EOD File	Field/Element
СМЕ	IRSMR3 report.	Pre-CDML Column "A/C ID" Post-CDML <segregationaccount></segregationaccount>
LCH	Report86c (Client Report 86 (house) Report 33a	Pre-CDML Column "Account" Post-CDML <segregationaccount></segregationaccount>
EUREX	RPTCC204	//RC/rptSubHdr/membId CDML <segregationaccount></segregationaccount>
ICE	Client Gross Margin Report	Client Legal Entity Account CDML <segregationaccount></segregationaccount>

Summary of supported Clearing Houses

Additional Info: PRODUCT TYPE

The values of this field must be configured in the domain mccAdditionalField.PRODUCT_TYPE Examples: IRD, NDF, etc.

Additional Info: MARGIN TYPE

The values (IM or VM) are configured in the domain mccAdditionalField.MARGIN_TYPE Choose IM.

Eligibility: Eligible Securities

We must create a static data filter with the choice of securities collateral.

Example:

A Static Data Filter Window [142007/AMC/Max IGLESIAS]						
Name	CME_Bond_Collateral				Attributes	
Comment	Comment:					
Groups	Groups: ANY					
Attribute		Criteria		Filter Value(s)		
Product Id		INT_ENUMERATION		> 3107,5673,5682,68	303	
Product Typ	e	▼ IN	Add	G.Bonds		

Once created, the filter appears in the bond selector:

Parties Details Dates & Times	Initial Margin	Independen	t Amount Eligibility
Eligible Books Eligible Securities	Eligible Currer	ncies	
		t +	
IEF4 Corp Bonds			Product Id
🔀 StaticData Filter Selector			
Q,- cme_b	8		
Name			Description
CME_Bond_Collateral			

6.1.2 CPP Facing - VM Margin Call Contracts (Optional)

Tab: Fields	Client Activity VM – USD	House Activity VM – USD
	[NOTE: Repeat for each currency for the multi-currency scenario]	[NOTE: Repeat for each currency for the multi-currency scenario]
Parties: Processing Org	<clearing member></clearing 	<clearing member=""></clearing>
Parties: Legal Entity Role	Client	Client
Parties: Legal Entity	<ccp></ccp>	<ccp></ccp>
Details: Products	CollateralExposure	CollateralExposure
Details: Currencies	USD	USD
Details: End of Day Pricing Environment	<pricing env=""></pricing>	<pricing env=""></pricing>
Details: Intraday Pricing Environment	<pricing env=""></pricing>	<pricing env=""></pricing>
Details: Haircut	<haircut rule=""></haircut>	<haircut rule=""></haircut>
Dates & Times: Valuation Time Zone	Same as <pricing env> timezone</pricing 	Same as <pricing env> timezone</pricing
Dates & Times: Send Statement	Checked	Checked
Initial Margin: Initial Margin	Checked	Checked
Initial Margin: Credit Multiplier		
Additional Info: CCP	<ccp></ccp>	<ccp></ccp>
Additional Info: CCP_ORIGIN_CODE	CLIENT	HOUSE
Additional Info: CCP_REFERENCE	С	Н

Tab: Fields	Client Activity VM – USD	House Activity VM – USD
	[NOTE: Repeat for each currency for the multi-currency scenario]	[NOTE: Repeat for each currency for the multi-currency scenario]
Additional Info: PRODUCT_TYPE		
Additional Info: MARGIN_TYPE	VM	VM
Additional Info: INCLUDED_VM_FLOWS		
Additional Info: SEPARATE_VM_SETTLEMENT	False	False
Additional Info: VM_CLASSIFICATION	CTM or STM	CTM or STM
Additional Info: SETTLEMENT_TYPE	ITD or not set (See <u>Intraday</u> <u>Settlement</u>)	ITD or not set (See <u>Intraday</u> <u>Settlement</u>)
Eligible Books: Set Default Book	Checked	Checked
Eligible Books: Book	<po book="" client=""></po>	<po book="" house=""></po>
Eligible Securities		
Eligible Currencies	<base currency=""/>	<base currency=""/> USD
Eligible Currencies: Cash Margin Call Account	True	
Eligible Currencies: Security Margin Call Account	True	
Eligible Currencies: Orderer Role	CounterParty	CounterParty

6.2 Client Facing Contracts

The client contracts are used to store the initial margin / variation margin on the positions of the client at the clearing member.

On these contracts, the Legal Entity configured in the contract is the client or a clearing member affiliate. This category of contract represents margin flows between the customer or affiliates and the Clearing Member.

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Margin Call** to define margin call contracts.

Initial Margin

There is one IM margin call contract per CCP, position account and Product type.

The initial margins can be stored in the base currency of the Margin Call Contract, or in the native currency. Margin calls are computed in the corresponding currency, and can be substituted to collateral securities.

Variation Margin

Variation margins can be stored in multiple currencies, or in a single currency, based on the client's choice.

- Multi-currency scenario There is one VM Margin Call Contract per Client and per currency (regardless of CCP and product type).
 - In this case, there is one variation margin per currency, and the margin calls are computed per currency.
- Single-currency scenario There is one VM Margin Call Contract per Client.
 - In this case, all variation margins are converted to the base currency of the Margin Call Contract. There is one variation margin in base currency, and the margin calls are computed in base currency.

The actual margin calls are represented by margin call trades.

Collateral Held at Clearing Member, not posted at CCP

The system allows maintaining additional collaterals held at the clearing member by a given client, but not posted at the CCP, in a specific margin call contract.

These margin call contracts must be defined as the Initial Margin contracts with CCP = Unallocated.

The collaterals attached to these contracts will be included in the regulatory reporting.

Margin Call Contracts Definition

For the client contracts, it is required that the margin calls update two different accounts in Calypso:

- The clearing member external nostro account (where cash and/or securities are actually paid or received)
- The client cash account @ the clearing member

For this, the margin call contracts are defined for the external role of the client (we are using the role "Client" in this setup - It can also be "ExtCounterParty" – See <u>On-Boarding an Individual Client</u> for details), and you need to define the following attributes in the panel Eligibility > Eligible Currencies:

- Cash Margin Call Account = True
- Security Margin Call Account = True
- Orderer Role = "CounterParty", the role of the Client cash account at the clearing member.

Breakdown of Variation Margin Components

This functionality allows generating client VM Margin Calls based on user-defined combinations of the CMF generated fees and the individual cashflows that are passed from the CCP, through the CMF to the client. It allows the users to associate transfers that hit a single cash account to multiple VM Margin Call contracts using configuration controlled by the user.

You need to define the following attributes in the Additional Info of the VM contracts:

• INCLUDED_VM_FLOWS (Optional) – Comma-separated list of flow types associated with the margin call contract. If it is not set, all flow types will be associated with the margin call contract (default).

You can further specify the flow types by product types using the format "[<product type>]<flow type>". For example: [InterestBearing]INTEREST, [CA]INTEREST.

• SEPARATE_VM_SETTLEMENT - If True, the flows associated with the margin call contract, including the Margin Call trades, will be included in a "Separate Settlements" section in the Client Statement. Otherwise, the flows will contribute to the Financial Summary table of the Client Statement.

VMTS Ledger Matrix

The VMTS Client Statement shows the VMTS Ledger Matrix for VM margin call contracts with attribute SETTLEMENT_STRATEGY = VMTS.

6.2.1 Client Facing - Initial Margin Contracts

Tab: Fields	Client Activity
Parties: Processing Org	<clearing member=""></clearing>
Parties: Legal Entity	Customer or Clearing member's affiliate Legal Entity
Parties: Legal Entity Role	Client
Details: Products	CollateralExposure
Details: Currency	<cleared currencies=""></cleared>
Details: End of Day Pricing Environment	<your environment="" pricing=""></your>
Details: Intraday Pricing Environment	<your environment="" pricing=""></your>
Details: Contract Type	Client@[CCP]
Details: Haircut	<haircut rule=""></haircut>
Dates & Time: Valuation Time Zone	Same as pricing environment time zone
Dates & Time: Valuation Date Frequency	<rule date="" for="" frequency="" valuation=""></rule>
Dates & Time: Valuation Time Offset	<rule for="" offset="" time="" valuation=""></rule>
Dates&Times: Send Statements	Checked
Initial Margin: Initial Margin option	Checked
Initial Margin: Credit Multiplier	<credit multiplier=""></credit>
Additional Info: CCP	<ccp></ccp>
Additional Info: CCP_REFERENCE	Position account at the CCP
	(see comments below)
Additional Info: PRODUCT_TYPE	This is also known as the clearing service.
	Values are configured in the domain <mccadditionalfield.product_type< th=""></mccadditionalfield.product_type<>
Additional Info: MARGIN_TYPE	IM
ELIGIBILITY	Checked
Eligible Book -> Set Default Book	
ELIGIBILITY Eligible Book -> Books	<customer affiliate="" book=""></customer>
Eligible Securities	Add one or more bond filters

Tab: Fields	Client Activity
ELIGIBILITY Eligible Currencies	<base currency=""/> <list collateral<br="" eligible="" of=""></list> currencies>
Eligible Currencies: Cash Margin Call Account	True
Eligible Currencies: Security Margin Call Account	True
Eligible Currencies: Orderer Role	CounterParty

Additional Info: CCP REFERENCE

We must report the client's (or affiliate) position account id at the CCP.

Post CDML, the value can come from either the value in the element <initialMarginAccountId> or from the value in the element <positionAccountID>, depending on the level of granularity.

This happens when the CCP provides margin calculations at portfolio level for a given customer.

Example of EUREX

Client: CAXXV

Portfolios:

a) CAXXV_P

b) CAXXV_A1

c) CAXXV_2

We report in the CDML, in the element <initialMarginAccountId> the aggregated margin amounts for the three portfolios and three elements <segregationAccount>, each containing the margin requirements for a), b) and c).

The user in Calypso has the choice of creating one margin call that represents the aggregation of the three portfolios. In that case it will create one margin call and will reference in the attribute CCP_REFERENCE the value of the element <initialMarginAccountId>.

If the user needs more granularity, it can decide to create three margin calls where the CCP_REFERENCE attribute will contain the value of the <segregationAccount> element.

6.2.2 Variation Margin Contracts

Tab: Fields	Client VM – USD		
	[NOTE: Repeat for each currency for the multi-currency scenario]		
Parties: Processing Org	<clearing member></clearing 		
Parties: Legal Entity Role	Client		
Parties: Legal Entity	<client></client>		

Tab: Fields	Client VM – USD
	[NOTE: Repeat for each currency for the multi-currency scenario]
Details: Products	CollateralExposure
Details: Currencies	USD
Details: End of Day Pricing Environment	<pricing env=""></pricing>
Details: Intraday Pricing Environment	<pricing env=""></pricing>
Details: Contract Type	Client
Details: Haircut	<haircut rule=""></haircut>
Dates & Times: Valuation Time Zone	Same as <pricing env> timezone</pricing
Dates & Times: Send Statement	Checked
Initial Margin: Initial Margin	Checked
Initial Margin: Credit Multiplier	
Additional Info: CCP	
Additional Info: CCP_REFERENCE	
Additional Info: PRODUCT_TYPE	
Additional Info: MARGIN_TYPE	VM
Additional Info: INCLUDED_VM_FLOWS	
Additional Info: SEPARATE_VM_SETTLEMENT	False
Additional Info: VM_CLASSIFICATION	CTM or STM
Additional Info: SETTLEMENT_STRATEGY	VMTS or not set
Additional Info: SETTLEMENT_TYPE	ITD or not set (See <u>Intraday</u> <u>Settlement</u>)
Eligible Books: Set Default Book	Checked
Eligible Books: Book	< client book>
Eligible Securities	
Eligible Currencies	<base currency=""/>

Tab: Fields	Client VM – USD
	[NOTE: Repeat for each currency for the multi-currency scenario]
Eligible Currencies: Cash Margin Call Account	True
Eligible Currencies: Security Margin Call Account	True
Eligible Currencies: Orderer Role	Counterparty

Sample USD VM Client Contract

For the multi-currency scenario, repeat for each client and for each currency.

For the single-currency scenario, repeat for each client.

The differences with the house contracts are listed below.

Parties

- Legal Entity Role = Client
- Legal Entity = <Client name>

Dates & Times

- Valuation Time Zone = Same as <pricing env> timezone
- "Send Statement" = Checked

Initial Margin

• "Initial Margin" = Checked

Additional Info

- CCP = Not set
- CCP_REFERENCE= Not set
- PRODUCT_TYPE = Not set
- MARGIN_TYPE = VM
- INCLUDED_VM_FLOWS (Optional) = Not set.

Comma-separated list of flow types associated with the margin call contract. If it is not set, all flow types will be associated with the margin call contract (default).

• SEPARATE_VM_SETTLEMENT = False.

If True, the flows associated with the margin call contract, including the Margin Call trades, will be included in a "Separate Settlements" section of the Client Statement. Otherwise, the flows will contribute to the Financial Summary table of the Client Statement.

• SETTLEMENT_STRATEGY = Not set. If set to VMTS, the VMTS Client Statement can be generated.
Eligible Books

- Set Default Book = Checked
- Book = <Client's book name> For example "Client A @ CGM"

[NOTE: The timezone of the book must be the same as the margin call contract's valuation timezone]

Eligible Securities

None.

Eligible Currencies

- Set the base currency Example, "USD"
- Only add the base currency as an eligible security, and check "Adjustment Currency".

You must also make sure that you have the workflow rule *AutoAdjust* on the following transitions in the Collateral workflow: PRICED_PAY - AGREE_EXPOSURE - EXPOSURE_AGREED and PRICED_RECEIVE - AGREE_EXPOSURE - EXPOSURE_AGREED.

Example:

🗾 Eligible Cu	Irrency Definition		
Currency :	USD Compounding	Include Interest to Position	🔽 Adjustment Currency
		Project Interest to Position	

- Cash Margin Call Account = True
- Security Margin Call Account = True
- Orderer Role = CounterParty

6.3 Omnibus Client Contracts

The omnibus client contracts are setup in the same way as individual client contracts for Omnibus client name.

See <u>Client Facing Contracts</u> for details.

6.4 Collateral Investment Program

The Collateral Investment Program allows FCMs to reinvest margin calls into the mutual funds and treasury bonds participating in the program.

The mutual funds are defined as Funds, and the investment is represented using Collateral Substitution of the margin calls into the Unitized Funds.

6.4.1 Funds Definition

From the Calypso Navigator, navigate to **Configuration > Asset Management > Fund**, and define the mutual funds as in the example below.

🗾 Fund Configuration (User: Bill Spota)					
File Action Help					
Name: JPMCAP1	ID	: 1501			
Settings Unit Schedule Al	JM Legal Entities Daily Dividend D	efinition Rebate Definition Cash	flows		
Name	Value	Name	Value		
🗆 Details		🗆 Units			
Legal Entity Full Name	JPMCAP1	Unitized			
Account	JPMCAP1	Unit Size	1		
Tax ID	12345678	Unit Decimals	4		
Source	External	Current Units	10,000,000		
Structure	Pooled	Current AUM	5,000,000		
Currency	USD	🖻 Dividends			
Asset Class	Money Market	Daily			
Distribution Policy	Distributive	Guaranteed			
Cut-off Time	11:59 pm	Performance			
Cut-off Time Zone	America/Los_Angeles	Benchmark			
Settlement Days	T+0	Risk Free Rate			
🗆 Issuance		Туре	None		
Start Date	07/01/2013	Precision			
Inception Date	07/01/2013	Price decimals	5		
Maturity Date		Cumulative price decimals	6		
Redemption	At Value	Daily dividend decimals	8		
Product Code	Collateral Investment:				

>> Select the "External" source, check "Unitized", and check "Daily" dividend.

Along with creating this "UnitizedFund" product, you need to create the product codes "Collateral Investment", "SFR-8A", and "SFR-8B" in the domain "FundAttributes":



Then define the product codes using **Main Entry > Configuration > Product > Code**.

In the Fund Configuration window, click to open the Fund Attribute window, and set "Collateral Investment" to TRUE.

Set SFR-8A to True if the fund should be added to column 8A of the SFR report (IEF5 funds), or set SFR-8B to True if the fund should be added to column 8B of the SFR report (other IEF funds).

📈 Code Window JPMCAP1				
Product Code Name	Value			
Collateral Investment	TRUE			
SFR-8A	True			

Then create a static data filter to identify the fund. This will be used during the Collateral Substitution process.

Static Data Filter Window [1300075P2/CLEARING_25/] (User: Bill Spota)						
Name: Collateral Investments	Attri	butes	Simulate	Simulate		
Comment:				Pending Mod	lifs	
Groups: ANY						
Attribute	Criteria		Filter	Value(s)		
Product Type	- IN	::Add:	UnitizedFund,	Bond,Equity		
PRODUCT_CODE.Collateral Investment	T IN	Add	TRUE			

This static data filter must be added to the tab called "Eligible Securities" in respective CCP Facing Margin Call Contracts. This will allow you to see all the Money Market Funds you have set up so you can later perform a Collateral Substitution.

6.4.2 Margin Call Position Valuation Report

If you are an FCM and you want to invest a client's collateral on deposit with you, you need to choose which of the four CME Collateral Management Programs you as the FCM would like to invest in, how much, and finally how to allocate within each fund. Using the example of CME's IEF2 and IEF5 investment funds, the FCM can only send USD cash and then enter the allocation of that cash in a separate CME system called "Clearing 21". Using the existing CCP facing Margin Call contract(s) already created Calypso can generate a margin call trade where the FCM will wire funds to the CME. The cash can then be converted to a security that represents the investment in Calypso via a collateral substitution within Collateral Manager. Now you have created a security that represents the FCM's investments in various CCP Collateral Management Programs.

In Calypso, we can report on the pre/post haircut amounts invested using the Margin Call Position Valuation Report as seen below, where the pre haircut value is shown under the "Value" column and the post haircut value is seen under the :All-In Value" column.

Margi	/MarginCallPositionValuation Report (8/10/13 1:35:33 PM) (User: Bill Spota)									
Report	Report Data View Export Market Data Utilities Help									
Crit	Criteria									
Туре	Type Id Description Nominal Clean Price Currency Value Haircut All-In Value FX Rate Contract Value									
Security		JPMCAP1	-50,806,859,754.00	1.00	USD	-50,806,859,754.00	0.03	-50,791,617,696.07	1.00000	-50,791,617,696.07

Note: In the above scenario, we have to mark the security at par on a daily basis. This can be done by using the PROP_RATE_1BUSDAY scheduled task. Should the value of the invested money market fund increase or decrease the user can manually change the price and manage the fluctuation accordingly.

Now imagine your client wants to invest in CME's IEF3 and 4 programs where the only acceptable forms of collateral are corporate bonds. The client must have sent in corporate bonds to the FCM to cover their collateral requirements in which case the FCM would invest in IEF3 or IEF4. The FCM will then send the bonds to the CCP. Unlike IEF2, which is an investment of cash into a money market, IEF3 and 4 are programs where the FCM can post ineligible securities into a special account where they are rebranded as eligible collateral and can be used to meet IM requirements. The FCM must commit to a certain "lockup amount" which is essentially a guaranteed minimum amount that they will invest, as well as a term for that investment which dictates the minimum amount of time that the bonds will be pledged.

6.4.3 Accounts Definition

The purpose of creating a Collateral Investment Account Definition and corresponding SDIs and static data filter is to prevent the transfers that are tagged as a collateral investment from hitting the inventory engine and updating the Nostro.

/ /	Accounts Definition	- Authorization mode OFF Collateral Investments / 143197 - version 4 (User: Bill Spota)
Acc	ount Utilities Repo	orts Process Help
Acc	ount Statements At	tributes Interests Limits Consolidation Translation/Revaluation Browse
	Account Name	Collateral Investments
	Durana si a Our	
	Processing Org	
	Туре	SETTLE Security Auto/Template Acc
	External Name	
	Externalivanie	Interface Rule Aggregate
	External Marie	Interface Rule Aggregate
	Description	Interface Rule Aggregate
	Description	Interface Rule Aggregate CME Role Agent
	Description Legal Entity (F2)	Interface Rule Aggregate CME Role Agent

Next create a static data filter that will enable you to achieve separation of trades and transfers which is further explained in the next section.

	Static Data Filter Window [1300075P2/CLEARING_25/] (User: Bill Spota)								
	Name: IEF2 Investments			At	Sim				
			`						
(Comment:					Pendi			
	Groups: ANY								
	Attribute Criteria				Filter Valu	ie(s)			
KE	YWORD.IEF2	▼ IN	Ado	ł	true				

Note: You need to add the trade keyword "IEF2" to the domain "tradeKeyword", and add the domain "keyword.IEF2" to give it a list of available values.

Name: tradeKeyword
Value: IEF2
🔎 Domain Values Window (U:
Search: keyword.ief2
Search: keyword.ief2

Then create the SDIs that will route both the cash and security transfers to this Collateral Investment Account.

Counterparty SDI

💋 Settlement D	elivery Instructions [13	3000 75 P2/CLE	ARING_26/] (U	ser: Bill Spota)		-
Utilities Help						
Edit Attributes	& Notes Browse					
SDI Id	14	4196				
Reference	14	4196	Cash/Securi	ity BOTH	•	[
Role	CounterParty	-	Conta	act Default	•	[
Beneficiary	CME		Processing O	rg ALL	•	[
Benef. Name			Produc	ts ANY		
Ссу	ANY		SD Filt	er IEF2 Investments		
Pay/Rec	вотн	T	Trade CounterPar	ty ALL		
Description	Internal/CME/Collateral In	vestments		▼ Preferred F	Priority	0
🔲 Link SDI						
Method Ir	nternal	▼ Add	Direct	Effective From		
Identifier				Effective To		
Identifier				🗖 by Trade Date		
			_			
Agent: CME	[intermediary] [intermedia	ary2] Direct				
Code CME		A/C	Collateral Investr	ments		🕅 Msg

Processing Org SDI

💋 Settlement D	elivery Instructions [13	00075P2/CLE	ARING_26/] (Use	r: Bill Spota)		
Utilities Help						
Edit Attributes	& Notes Browse					
SDI Id	144	197				
Reference	144	197	Cash/Security	вотн	•	
Role	ProcessingOrg	*	Contact	Default	Ŧ	
Beneficiary	CALYPUS		Processing Org	ALL	v	
Benef. Name			Products	ANY		
Ссу	USD		SD Filter	IEF2 Investments		
Pay/Rec	вотн	¥	Trade CounterParty	ALL		
Description	Internal/CME			Preferred Price	ority	0
🔲 Link SDI						
Method Ir	nternal	Add		Effective From		
Identifier				Effective To		
Tuendiner				🔲 by Trade Date		
Agent: CME	[intermediary] [[intermedian	ry2] Direct				
Code CME		A/C				🔽 Msç
Contact	Settlement	🝷 🛛 GL A/C	Collateral Investme	nts		

You can view in the Transfer Viewer that the USD cash settlement did not hit the Nostro.

📈 Transfer Viewer: Transfer Id 743068 (User: Bill Spota)		
Transfer		
Main Transfers Messages Postings Tasks		
General	Workflow	Accou
Transfer Id: 743068 / 1	Status: SETTLED	
🔍 Trade Id: 351434 / 1	Type: COLLATERAL	
🔿 Counterparty: Chicago Mercentile Exchange	Product: MarginCall	
Financial	Dates	
Side: RECEIVE Settle Ccy: USD	Trade Date:	08/21/2013
Amount: 222,222	Value Date:	08/21/2013
Other Amount: 0.00	Settle Date:	08/21/2013
	Booking Date:	08/21/2013
Settlement Instructions		
PO Agent: Chicago Mercentile Exchange PO Agent Bic:		
🕀 Receiver Inst: Internal/CME / 0	Status: Default	
Their Agent: Chicago Mercentile Exchange Show Route		
Payer Inst: Internal/CME/Collateral Investments / 0	Status: Default	

Proceed to the next section that explains how to tag both trades and transfers.

6.4.4 Collateral Investment

Using the Collateral Manager, you can increase or decrease the amounts in a certain investment program by choosing the security that represents the investment in Calypso and performing a Collateral Substitution.

Our recommendation to accomplish this would be the use of the "Collateral Context" feature which is located within Collateral Manager as follows:

🗾 Collateral Manager : Bill Test (Us	er: Bill Spota)		
File Margin Call Data View Exp	ort Market Data	Window Help	_
🛛 📴 Load 📑 Price 👻 Allocate	🔹 🎯 Optimize	Show View	ifig 🛛 💽 Reconcilation 👻 🗹 👻 😴 💌
Margin Call Filter 🗗 🗗	Results	Reset Layout	
R Aile Of PT		Configuration 🕨	Margin Call Configuration
Drocess Date /Time	Action 👻	Trade 🕨 🕨	Collateral Context

Here you can configure the system to tag the 'investment' allocations (both trade and transfer).

You can name the new attribute with a name that corresponds to the various investment vehicles you are investing in which from the "Allocation Attributes" tab as seen below.

tributes	Allocation Attri	ibutes De	tails Wo	rkflow Co	ontext At	tributes			
	-								
									_
	Categor	'Y	D	escription		M	landatory		Mai
	Margin Call Allo	ocation At	tribute					į	×
		Incol	-			-			
Na	me:	IEF2							
Att	tribute Type :	Boolea	n		-]			
						-			
Att	tribute Category	:							
Do									
De	scription :								
	Propagate to trade								
	Mandatory								
	Mandatory for execution								
		, 1.0							
				Арр	ly	1	Cancel		11

When performing a collateral substitution, you will need to configure the Allocation Attribute by choosing Data > Configure Columns, and add the name of the attribute you have configured.

📈 Configure Columns	×
All Elements:	Selected Elements:
	Attributes.IEF2
Europ Margin Call Allocation Base	Description
	Direction
Attributes IEE2	Quantity
Accibices.ici 2	Nominal
	Currency

When ready to perform the substitution tick off the checkbox as seen below.

Allocation - default						
	- Name	•				
Attributes.IEF2	Description	Direction	Quantity	Nominal		
	USD	 Receive 	50,806,859,754.25	50,806,859,754.25 l		
V	JPMCAP1	▼ Pay	50,806,859,754	50,806,859,754.00 l		

After applying the allocation and pricing the contract all the way to EXECUTED status. This will put a keyword on the margin call trades.

/Trade Attributes Window	2
Domain	
Name	Value
CCP	- CME
collateralAllocationType	Substitution 🧮
collateralCategory	IEF2 Funds
Generation by Allocation	true
IEF2	true
MarginCallContractType	IM
26T	v
AccountNumber	
AFMAPricingCashRate	
AFMAPricingSwapRate	
AFMAPricingTM	
AfterSettlementCutoffTime	•
Apply Help	Cancel

This will get both the trade and transfer tagged.

6.4.5 Haircut

Haircuts rules are setup on the Margin Call Contract under the details tab. You will need to create the haircuts specific to each fund as per the CME website. Using CME's IEF2 program as an example where there is a mandatory 3% haircut you would perform the following steps in order to record the haircut values.

To create a haircut you load the relevant CCP facing Margin Call Contract but you must first define an SD filter that will locate the security position you want to add a haircut to.

Static Data Filter Window [1300075P2	2/CLEARING_2	5/] (User: B	ill Spot	:a)	
Name: IEF2 Funds		Attributes		Simulate)
Comment:				Pending M	lod
Groups: ANY]			
Attribute	Criteria		Filt	er Value(s)	
Product Type	⊤ IN	Add	Unitized	dFund	
PRODUCT_CODE.Collateral Investment	⊤ IN	Add	TRUE		

📈 Margin Call Wind	dow - Version - 21 (Jser: Bill Spot	ia)				_ 🗆 🗵
Margin Call Config	Util Help						
Edit Browse							
Name :	CME IRD Client IM			164302	21		Subtype :
Description :	Calypso_US IM, fac	ing the CME fo	r Client IRE) Accounts			Parent :
Eligible Securities Parties Details	Eligible Curren Dates & Times	ties Cor Initial Ma	ncentration argin) Doptimiz Independer	zation	Child Conl	figurations
■ * ₽.			Ĺ	Show LA	Define SD	Sho	ow Haircut
Position Type			THEORET	ICAL		Sec	
Position Date			POSITION	I_DATE_DEFAU	JLT		
🗆 Haircut							
Haircut Rule			IEF				
Haircut Type			Regular		-		
Exclude Trade Ha	rcut						
(Name) (Description)							
	New	Save	•	Save A	s New	D	elete

Then navigate to the details tab, and click **Show Haircut**:

It brings up the Haircut Rule Configuration GUI where you enter the PE, SD filter and finally add a haircut value.

Haircut Rule Config	uration (User: Bill Spot	a)		
Haircut Rule Help				
Name : IEF				
Definition Cross Curren	cy]			
	1		Haircut Points	
IEF2 Funds			Tenor Date OPEN 08/07. Details	e Offset Haircut 1 0.030
				Cancel
New	Save	S	ave As	Delete

You then choose the haircut rule you just saved in the details tab of the Margin Call Contract.

🗾 Margin Call Window - Version - 21 (User: Bill Spota)							
Margin Call Config Ut	Margin Call Config Util Help						
Edit Browse							
1							
Name :	CME IRD Client IM			164302	21		Subtype :
Description :	Columna LIC TAL Soc			Accesses			Deveeb .
Description :	Calypso_05 IM, rac	ing the CME for		Accounts			Parent :
Eligible Securities	Eligible Currenc	ies Cor	centration	Optim	ization	Child Cor	figurations
Parties Details	Dates & Times	Initial Ma	irgin	Independe	nt Amount	Ad	ditional Info
				bourt a	Dofina SD	[::::::::::::::::::::::::::::::::::::	
Position Type			THEORETIC	CAL			
Position Date			POSITION	_DATE_DEFA	JULT		
🗆 Haircut							
Haircut Rule			IEF Degular				
Exclude Trade Haircu	ıt		Regular		V		
(Name)							
(Description)							
	Nou	Sauc		Sauce			
	New	5876		Save /	AS NEW		
							1

6.4.6 Inclusion in the Sequestered Fund Report

The money invested in the funds should appear in line 8A or 8B at market value, based on the fund attribute "SFR-8A" or "SFR-8B".

This information gets pulled from the Margin Call Position Valuation Report: any securities with product code "Collateral Investment = True" as of previous day's close of business (T-1) converted to USD based on FX Rate from quote set.

6.4.7 Configuration for Investing in Treasury Bonds

Imagine an FCM has excess client cash posted as collateral for which they are paying the client a fixed interest rate. In addition to investing client funds, the FCM can also borrow internally from another funding desk and then invest it into a non CCP Investment Vehicle (e.g. Government Securities).

Calypso recommends the FCM enter into a BOND transaction where the Counterparty can be Harris Bank or any other CFTC approved investment vehicle.

Unlike what is described above when creating a UnitizedFund where a new Product_Code: Collateral Investment = TRUE, the FCM would need to create a new "Bond Collateral Investment" bond product.

This will ensure the bond used to invest into a Harris type investment vehicle will allow the following code changes to the SFR to work. Essentially, line 7b works off of account attributes instead of a Product Code. Here is a sample of the Account definition setup along with the respective attributes.

📈 Accounts Definition - Authorization mode OFF Bond Collateral Investments / 147696 - version 0 (User: Bill Spota) 👘
Account Utilities Reports Process Help
Account Statements Attributes Interests Limits Consolidation Translation/Revaluation Browse
Account Name Bond Collateral Investments
Processing Org CALYPUS Ccy USD V Id 147696
Type SETTLE Security Auto/Template Acc
External Name Q Interface Rule Aggregate 💌
Description
Legal Entity (F2) HARRIS BANK Role Agent 💌
Creation Date 9/11/13 2:23:37 PM Properties/Attributes (F4)
Account Attributes Window Bond Collatera

Name	Va –
Collateral Investment	🔻 true
SequesteredAccount	🔻 Bank
AccountType	Ψ

The LE was set to Harris Bank as this is where the Bond cash was settled. Note: You will need to create a Bond Collateral Investments account for each LE that will be holding the "Real Money Amount" for each Bond purchase and subsequent SDIs.

Line 7B - From the Inventory Position Report as of previous days close of business (T-1) take all accounts that have the "SequesteredAccount" attribute set to "BANK" as well as the attribute "Collateral Investment" set to True and calculate the values of any securities that fall into the aforementioned account criteria converted to USD based on FX Rate from quote set. The values will be determined by using the CleanVal(MTM) balance type which is the position quantity multiplied into the security clean price.

Configuration Requirements

The premise behind the following configuration is to allow Calypso to generate the value of any bond using the CleanPrice on the Settlement so that your SFR amounts are not overstated.

Within the Inventory Position report, choose **Process > Create Balance Type**, and create the balance type "CleanVal(MTM)".

🜽 Additional Balance	Туре	
		CleanVal(MTM)
InvSecBalanceType		
,	>>	

Then choose **Process > Define Balance Type** where you can create the formula to produce the CleanVal(MTM) balance type which is the position quantity multiplied into the security clean price.

Position Type definition : CleanVal(MTM)	×
Variables Variables Balance_Collateralized_Out Balance_PledgedOut Balance_PledgedOut Balance_PledgedIn Balance_RepoTrackingOut Balance_Trading Balance Balance Balance CleanPrice DirtyPrice Composite position types Insert	Conditions If: Then: Functions Operators Formula Balance*CleanPrice
Position Value : Template Position Va	alue Check Apply Cancel

Once you are done with the formula click Apply.

Then load up the Inventory Position report with the following parameters so that you can see the value of any settled Bond trade.

InventoryPosition / Bill Te	t (User: Bill Spota)				_ 🗆 🗙
Report Data View Export	Market Data Process Utilities Hel)			
🗟 🖳 🎒					
Criteria					
Template Description Clea	n Value Bond Price	Use Tenor 🔲 Use Sna	Shot		
Start 08/21/2013 💌	End 08/21/2013	Books CALYPUS-C	Processing	Org	
Position Date Settle	Aggregation Agent/Acco	ount Securities	Security Template	_	
Position Class Internal	Agent BANK OF	AMERICA Sec Code BB_CA V	🔽 Include Issuanc	es	
Position Type Actual	··· Account Id	SD Filter NONE	👻 Agg. Type	v	•
Position Value Nominal	Custom Filter	Initialization Date NONE	💌 🗖 Display Only Mu	Itiple Agent 📃 Explode Position	
Position Direction All	Offset, Pos Cash/Sec Security	Movement Type CleanVal(MTI	i) 👘 📖 🔽 Filter Zero Bala	nce 🔽 Propagate To Ca	ish
Closing Bal.		Node Expansion Level			
Security					×
Movement Type ProcessingO	Product Id PRODUCT_CODE.ISIN	Prd Description	Currency Agent	Account Pos	ition Type Aug 21, 2013
CleanVal(MTM)	278300 U5912828NZ91	BondT 1 1/4 09/30/15 IEF Investment/5Y/09/30/2015/	.25% USD BANK OF AMERI	CA CALYPUS SEG-CLIENT ACTU	JAL 0.00
CleanVal(MTM)	6801 U5912828NZ91	BondT 1 1/4 09/30/15/5Y/09/30/2015/1.25%	USD BANK OF AMERI	CA CALYPUS SEG-CLIENT-USD ACTU	JAL 7,500,000.00
CleanVal(MTM)	6803 US912810EX29	BondT 6 3/4 08/15/26/30Y/08/15/2026/6.75%	USD BANK OF AMERI	CA CALYPUS SEG-CLIENT ACTU	JAL 0.00

The 7,500,000.00 represents the actual clean value of a settled bond where the calculation takes the Quantity * CleanPrice. Bond details: Bond purchased with quantity of 5,000,000.00 at a price of 100.00. The closing quote for the bond is 150.00. So if you multiply 5,000,000.00 * 1.50 you get 7,500,000.00.

You should also setup a formula for dirty price calculations on the Inventory Position report in the same way.

Add and save new balance type

Additional Balance Type	
CleanVal(MTM) DirtyVal(MTM)	
Position Type definition : DirtyVal(MTM) Variables Variables Balance_SecurityLent_Auto Balance_Collateralized_Out Balance_Collateralized_In Balance_PledgedOut Balance_PledgedIn Balance_RepoTrackingOut Balance_Trading Balance_Unvailable Specific values FXRate CleanPrice Insert	Conditions If: Functions Coperators Formula Balance*DirtyPrice
Position Value : Template Position Value	Check Apply Cancel

You also need create the domain "SFR7BMovementType" to control what value of the bond trade you would like to be displayed on the SFR (i.e. Clean or Dirty) on line 7B. Example:

SFR7BMovementType 🛄 🐓 CleanVal(MTM)

6.4.8 Pledge the Bond at the CCP and Populate 8-B

The FCM will buy the bond from the street (reflected in SFR columns 7-a and 7-b) before pledging it to the CME (reflected in column 8-b).

It is expected that IM Standardization is in place, meaning that we maintain internal and external client position for IM.

Create new Allocation Attribute 'InvestmentBonds' in the Collateral Context windown that will be passed down to the MarginCall Trade when the bond is allocated. This attribute will be used to drive the SDIs.

🜽 Collateral Contex	ct Configuration								_ [٦×
Collateral Context	Itil Help									
Name : EO	Name : EOD_COLLATERAL_CONTEXT 1005 61									
Description :			3.2	.6-14.0.0.	22.SP2-with-140	0				
Product Definition Pos	ition Definition Currency	Definition Entry Attribu	utes Allocation Attrib	utes Wo	rkflow Pricing (Context Attributes				
91 10 10 1							1		Ŧ	±
Name	Туре	Category	Description		Mandatory	Mandatory For Execu		Propa	gate	
CCPSettlementType	String						N		1	
PRODUCT_TYPE	String									
CCP	String									
InvestmentBonds	Boolean									
		Nev	v Sav	/e	Save As	Delete		С	lose	

Allocate Bond and tick attribute to true.

🔎 Collateral Allocati	on: FCM [1	40022SP2/V1	L4OTC/]										_ 🗆 ×
Allocation Window	Util												
Apply Close 💽 Optin	nize		 Substitution Mode 										
Security Position Browse	er												67 P
Processing Org PO1	*												
Position	•	ProcessingOrg	Book	Product Id	PRODUCT_CODE.ISIN	Prd Desc	cription	Currency	Agent		Account	Position Type	Oct 6,
Books	•	P01	P01_CLIENT_CLEARING@CME	29401		BondCollatInvTEST/10	0Y/01/13/2025/3%	USD	HARRIS BANK	T-Bond Collater	ral Investment@CME	THEORETICAL	0
Security		P01 P01	PO_FUNDING	29401		BondCollatInvTEST/10 BondCollatInvTEST/10	0Y/01/13/2025/3%	USD	HARRIS BANK	Bond Collateral	Investments	THEORETICAL	10
		P01	PO1_CLIENT_CLEARING@CMF	29401		BondCollatInvTEST/10	0Y/01/13/2025/3%	USD	HARRIS BANK	P01-USD-SECU	IRITY-NOSTRO-CLIENT	THEORETICAL	č
Eg / M_bonds		P01	P01_CLIENT_CLEARING@CMF	29401		BondCollatInvTEST/10	0Y/01/13/2025/3%	USD	PO1	CPTY1_CASH_S	SEC_USD@PO1	THEORETICAL	0
	Load	P01	PO1 CLIENT CLEARING@CME	29401		RondCollatInvTEST/1	NY/01/13/2025/3%	USD	HARRIS BANK	Bond Collateral	Investments	THEORETICAL	• •
Security 📴 Casl	h 🗦 Collate	eral Pool											
Allocation - default													e 4
🐻 🐻 🗤 - Nam	e 💌									• •::	📕 🔄 Report 🔹	Data 🔹 🖗	View 🔸
Descript	ion	Direction	Quantity Nominal (Currer	nt) Curren	cy Price Accrual	Value FX Rate	Haircut	Book	(Trade Date	Settlement Date	Attributes.Investn	nentBonds
BondCollatInvTEST/10Y/	01/13/2025/3	% - Pay	0.00 0	0.00 USD	0 (0.00 1.00	0 - PO1_0	LIENT_CLE	ARING@CME	10/07/2016	10/07/2016	N	
													Total 1
Allocation	tted Positions	Pending S	ubstitutions 🔲 Summary 🤬	Concentratio	on Limits	ation History 🚷 Net	ted Allocation						
calvoso user	FCM					PO1 CME CLIENT						llocation: ALLOCA	TED
	1											The other	

📕 Margin Call SecurityTransfer(BondCollatInvTEST/10Y/01/13/2025/3%) -PO is CMF_1 💶 🗖 🗙	1
Trade Back Office Mamargin Call SecurityTransfer(BondCollatInvTEST/10Y/01/13/2025/3%) -PO is CMF_1-US (1
Trade Details Fees	
To CME Client Book IG@CME Status VERIFIED ID 29707	
From CME CounterParty Trade Date 10/07/2016 12:00:00 AM Settle Date 10/07/2016	
Pay Security Transfer Type SECURITY Contract Id 2101	
Qty 6 Nominal 600.00 Security ondCollatinvTEST/10Y/01/13/2025/3%	
Price 9,900 Accrual 0 SecCode CLEARI 💌 USD	
Value 59,400 Dirty Price 9,900 C DAP C Returned Security Pledged Security	
	Trade Attributes Window
Markat Data Driver Dyrame Decute	Domain
CME_USD_LIBOR_3M_DFR/USD(R)CLOSE 4/8/14 5:44:00.000 PM EDT	Name Value collateralCategory All_Bonds
	collValue 9,900
	26T * ACCOMMODATION_CHARGE_ID
	AccountNumber AFMAPricingCashRate
	AFMAPricingTM AFMAPricingTM AfterSettlementCutofTime
Val Date 02/06/2017 8:01:57 PM Pricing Env default Price Close	Anent Apply Help Cancel

System will pick the CCPs DDA SDI based on the filter to which the security will be paid to.

Settlement Delivery Instructions [140022SP2/V140	DTC/] _ 🗆 🗙	
Utilities Help		
Edit Attributes & Notes Browse		
SDI Id 15503		
Reference 15503 Cash/Secu	rity BOTH	
Role CounterParty Cont	act Default	
Beneficiary CME Processing	Drg PO1	
Benef. Na Produ	cts MarginCall	
Ccy USD SD Fi	Iter IsInvestmentBonds	
Pay/Rec BOTH Trade CounterPa	irty ALL	
Description Direct/CME_CLIENT_IRS_CASH_IM_USD@P01	Preferred Priority 0	
Link SDI		
Method Direct Add Direct	Effective From	Static Data Filter Window [1400225P2/V1401C/]
Identifier	Effective To	Name [Is]rvestmentBonds Attributes Simulate Pending Modifs Grouped Latv
[agent] [intermediary] [intermediary2] Direct		Attribute Criteria Filter Volue(s) VEYWORD.InvestmentBonds - IN Add true
	···	Load New Defete Sove Sove Usage Close

On PO Side, this SWIFT PAY SDI should be used to debit Nostro Security account

Settlement	t Delivery Instructions	[14002	2SP2/V140T0	c/]	_ [] ×		
Utilities Help							
Edit Attribute	s & Notes Browse						
SDI Id	4211						
Reference	4211		Cash/Security	SECURITY	•		
Role	ProcessingOrg 💌		Contact	SWIFT	•		
Beneficiary	PO1		Processing Org	ALL	7		
Benef. Na			Products	ANY			
Ссу	USD		SD Filter	Client_Trades			
Pay/Rec	BOTH	Tra	de CounterParty	ALL			
Description	SWIFT/HARRIS BANK/9999	99		Preferred Priority	0		
🗖 Link SDI							
Method S	WIFT 💌	Add		Effective From			
Identifier				Effective To			
				☐ by Trade Date			
Agent: HARRIS BANK Intermediary: BONY [intermediary2] Direct							
Code HARRI	S BANK	A/C	999999		Msg		
Contact	Contact SWIFT CL A Bond Collateral Investments						
Name		Sub A/C			R-Ship		
Identifier							

The Direct account set up with CME should have account attribute 'Collateral Investment' set to true (SequesteredAccount should be null)

🌽 Accounts Definition - Authorization mode OFF T-Bond Collateral Investment@CME / 1550 💻 🗖 🗙	
Account Utilities Reports Process Help	
Account Statements Attributes Interests Limits Consolidation Translation/Revaluation Browse	
Account Name T-Bond Collateral Investment@CME	
Type SETTLE Secu Auto/Template Acc External Name Interface Rule Aggregate Interface Rule Description T-Bond Collateral Investment@CME Interface Rule CounterParty Legal Entity (F2) CME Role CounterParty Creation Date 2/1/17 9:17:54 PM Properties/Attributes (F4) Closing Account Last Closing Date	
Parent Account Parent Id 0	
Status Image: Constraint of the state of	Account Attributes Window T-Bond Collateral Investma. X Name △ Value Collateral Investmant True Company, D0 ← DTCPartAccountD ← Description ← FUNDING BOOK FUNDING BOOK FUNDING Courrency, CLAccount_ID ← CourrencePrese ← FS-Product_ID ← FS-Product_ID ← FS-Product_ID ← FS-Product_ID ← Secretarian moment ✓
New Delete Save SaveAsNew CustomerTransfer Close	Apply Refresh ClearAll Cancel

Similarly to SFR 7b, it is possible to configure the position type to be displayed by Clean or Dirty price. The system will re-use the same configurable balance type set up for 7b and look up a new domain SFR8BMovementType set to CleanVal(MTM) or DirtyVal(MTM) depending on the position type to be displayed.

🔎 Domain Values Window				_ 🗆 ×	
Search: sfr	Find	□ Value			
🗊 🔠 settlemethodKWRestricted		(Name: SFR8B	MovementType	
SFR7BMovementType					
E SFR7CBookType			Value:		
SFR7CMovementType			Comment		
SFR8BMovementType			Comment:		
CleanVal(MTM)					
🚽 🚽 showProductMapper			<< Add	Save Abo	
🕀 🛄 SimpleMM.Pricer					
🗄 🛄 SimpleMM.subtype			>> Rem		
III 🔅 🚥 Circula Davie Daviera					

The Position is sourced from the Inventory position based on following criteria:

Position Date: Settle

Position Class: Internal

Position Type: Actual

Position Value: Nominal

Cash/Sec: Security

MovementType: CleanVal(MTM) or DirtyVal(MTM) if specified in above domain value, else defaulted to Balance

Sum of values will be converted to USD

Section 7. ERS Limits

In order for the trades to go through limits checking, you need to perform the following configurations.

7.1 Trade Filters

You need to create trade filters for the trades for which you want to check limits using **Configuration > Filters > Trade Filter** from the Calypso Navigator.

For example:

Name CME-A	AAA]	Time Zone	NONE	-			
Comment			Holidays					
			🗌 🗔 Check I	lolidays				
🗌 Use SQL	Generate SQL	Parent NONE			-			
🗌 Cache trades on load 🛛 🗌 Set as default parent								
Post Processing	Position Spec Co	unterparty Fund	Diary Criteria	a				
Ranges Date / Ti	me Product Criter	ia 👘 Trade Criteria	Underlying	Security	Custom Criteria			
E BUY E S	ELL							
Internal Reference	⊻ IN							
Bundle	Ic	1 -						
Bundle Attribute								
Book	⊻ IN							
Trader	⊻ IN							
Status	IN ENT (PRANTED, CREDIT_CO	DNSENTED,L	IMIT_FAILEI	D,VERIFIED			
Sales	☑ IN							
Book Attribute								
Keyword Value	CCP Like [CME],CCP	AccountReference Like	e [AAAA],IS_C	LIENT Like	[true]			

7.2 Market Risk Hierarchy

You need to define a market risk hierarchy. Market risk hierarchies are created using ERS Risk.

Bring up ERS Risk and click Admin in the upper right-hand corner.

Then select the Hierarchy Editor.

🖉 Enterprise Risk Service - Calypso -	Windows Internet Explor	er		
	com:8280/risk/	🦩 🗙 🚼 God	ogle	₽ -
Favorites ZEnterprise Risk Service	e - Calypso			
CALYPSO			A	Admin Mode
			😡 🚺 risk ad	lhoc what if
Hierarchy Editor Batch Editor	Risk Attribution Editor	Job Viewer	Management Console	
InitialMarginLimit Delete Save As	New			
🗆 InitialMarginLimit	9 <u>3</u>	Rename	∧ Portfolio	3
V=CME-AAAA	*E 🖉	Add	000_Test	
V= CME-BBBB	9 <u>1</u>	Remove	00 CME MARGIN Bheem	
V=LCH-GIGACALP_FUND3	9 <u>4</u> 97 💿	Cut	101	
Y=CME-CCC	*1 (*)	Paste	4Q0	
A=CWE_DOWMA	-1		4Q051	
			AAAA	
			Alec CME	
		<<	Alec Swaps	
		>>	ALL All CME Today Eutures And Option	20
			All one roday rutares And Option	13

Create a hierarchy as needed, and add nodes. The nodes correspond to Trade Filters.

If the trade filter contains a book, then the trade filter is used to select the trades. Otherwise, the system selects the trades for which the trade keyword LIMIT_WHATIF_PORTFOLIO is the node name.

[NOTE: Each node name must be the same as a Trade Filter]

2 Please refer to the *Calypso ERS Risk User Guide* for details on using this window.

7.3 Pre-Deal Limit Configuration

Make sure that the product types for which you want to check limits are defined in domain "limit.products".

7.4 Limits Configuration

Bring up ERS Limits, and define limits for the hierarchy you have created under Limits > View / Edit.

Select the hierarchy you have created, and click Load.

🚰 Home 🔮		Q			
👫 Search 🗢		Type:	Market Risk	•	
📝 Front Office 🛛 🗸		Hierarchy:	InitialMarginLimit	-	
👼 Limits 🗸		Node Name:	CME-AAAA		
View/Edit	٩				
LE Dashboard					
Violations					
Adjustments					
Expiry					
Frozen					
🧳 Trades 🔍				Loa	ad

Then click New in the upper right-hand corner, and select a measure you want to check limits against.

You can then define the limit amounts.

😭 Home 🔹 🔮	Market F	Risk - InitialMarginLi	mit (CME-AAAA)						
👫 Search 🔍	HistVaR	(CME)							🔏 🛃 🔊
📝 Front Office 🛛 💌				0	Continuous 💌	(USD)	• / Predeal I	nduded 💌	All
👼 Limits 🗢			Severity 1	▪ Warning Le	vel 80% 💌	29-Aug-2012	· · ·	29-Aug-20	13 🛄 📩 🌷
View/Edit		Bucket			Limit	Effec	tive Date		Expiry Date
LE Dashboard		■• Rates		•	1000000	29-Aug-2012	<u> </u>	29-Aug-20)13 🛄 📩
Violations	HistVaR	(CME)							
Adjustments		Rates		150,000,000				16-Aug-2012	2 16-Aug-2013
Expiry		Aggr		150,000,000				16-Aug-2012	2 16-Aug-2013

Once you have defined limits, you need to authorize them before they become effective.

2 Please refer to the Calypso ERS Limits User Guide for details on using these windows.

7.5 Limits Checking

The EOD limits usage is computed using the scheduled task ERS_ANALYSIS for the ERS batch process that runs the Sim analysis on the market risk hierarchy.

You can create an ERS batch process under in ERS Risk under Admin > Batch Editor as in the example below.

Hierarchy Editor	Batch Editor Risk Attrib	oution Editor	Job Viewer Ma	anagement Console		
InitialMarginLimit	New	Delete Sav	e As			
Portfolio	CME-AAAA	•	✓ Analysis	Portfolio	Target Type	Parameter Set
		-	OTCMarginReport	CME-AAAA	Portfolio	TYPED
Hierarchy			OTCMarginReport	CME-BBBB	Portfolio	TYPED
Analysis	Sim 💌		OTCMarginReport	CME-CCC	Portfolio	TYPED
Pricing Environment	CME_IM •		OTCMarginReport	LCH-GIGACALP_FUND3	Portfolio	TYPEH
Darameter			Sim	CME-AAAA	Portfolio	CME
Faranieter			Sim	CME-BBBB	Portfolio	CME
Trade Explode			Sim	CME-CCC	Portfolio	CME
Memory Capping			Sim	LCH-GIGACALP_FUND3	Portfolio	LCH
٥		Add				

The scheduled task ERS_ANALYSIS should be run at the end of the day on this batch process, after all other clearing activity is completed.

Sample setup:

Task Type ERS_ANALYSIS						
External Reference	07 CME and LCH IM Batch for ERS					
Description						
Attempts	1					
Retry After, In Minutes	0					
Memory Settings	Min Memory 512 m Max Memory 1024					
Allow Task To	🗌 Send Emails 🔲 Publish Business Events					
•Common Attributes						
9 Task Attributes						
Batch Name	InitialMarginLimit 🚤					
Wait	false					
ERS Services URL						
Is Live	true					

The batch process is set in the Batch Name attribute.

When trades are received from the CCP, they go through the limits checking using the workflow rule CheckWhatIfLimits.

The following trade keywords are populated:

Trade Keywords	Description
LIMIT_WHATIF_CHECK_PASS	Displays Y if the What-If analysis returns a usage value that does not violate the defined Market Risk Limit. It displays N otherwise.
LIMIT_WHATIF_LIMIT_MAX	Displays the maximum limit defined for the Market Risk Limit.
LIMIT_WHATIF_RISK_USAGE	Displays the usage value of the What-If analysis results.
LIMIT_WHATIF_CHECK_ERROR	Displays Y if there is an error while checking the limits, or N (or empty) otherwise.

Trade Keywords	Description
LIMIT_WHATIF_CHECK_ERROR_MSG	Displays an error message when LIMIT_WHATIF_CHECK_ERROR=Y.
LIMIT_WHATIF_PORTFOLIO	ERS Limits portfolio.

Section 8. Clearing Fees

 CCP

 Periodic Trade Commissions
 Periodic Account Maintenance Fees

 Clearing Member

 Immediate Trade Commissions Execution Fees
 Periodic Account Maintenance Fees

 Clients

The following types of clearing fees can be setup in the system.

The CCP charges commissions on the trades to the clearing member on a periodic basis, and the clearing member charges those commissions to the clients immediately.

The clearing member may also charge execution fees on the trades to the clients immediately.

The CCP also charges maintenance fees on the accounts to the clearing member on a periodic basis, and the clearing member charges those maintenance fees to the clients on a periodic basis as well.

Immediate trade fees, periodic trade fees, and account fees require a different setup.

Note on Swap Residual Maturity for Transaction Fees and Maintenance Fees

[NOTE: This only applies to version 14.4 of Core Calypso, and above]

By default, the swap residual maturity is computed as:

Swap residual maturity = MAX(CCPClearedDate,StartDate) - End Date

You can change the behavior by adding the CCP name to the following domains:

- "TransactionAdjustedEndDate" for Transactions fees The end date is adjusted based on the Date Roll convention if it falls on a holiday (applies to LCH).
- "TransactionStartDate" for Transaction fees The start date is CCPClearedDate (applies to LCH).
- "MaintenanceAdjustedEndDate" for Maintenance fees The end date is adjusted based on the Date Roll convention if it falls on a holiday (applies to LCH).
- "MaintenanceOriginalClearDate" for Maintenance fees The start date is CCPOriginalClearedDate for netted trades (applies to LCH).
- "MaintenanceStartDate" for Maintenance fees The start date is CCPClearedDate (applies to LCH and CME).

8.1 Clearing Member Commissions and Execution Fees

The clearing member charges commissions and execution fees on the trades to the clients immediately.

They are computed on the trades using the AutomaticFees workflow rule, which should be set on the workflow transitions once the trade is cleared: CLEARED – ENRICH – VERIFIED, VERIFIED – UPDATE – VERIFIED, etc.

See <u>Trade Workflows</u> for complete details on the trade workflow.

8.1.1 Fee Definition

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Fee Definition** to define the fee types, for example COMMISSION_FEE and EXECUTION_FEE.

Fee Definition (User: calypso	_user)				
Type :	COMMISSI	ON_FEE		[
Role :	CounterPar	rty	-			
Fee Offset :	0 C	al				
Products :	ALL					
Default Calculator :	FeeGrid		-			
Include :	✓ Pricing		ounting	Allocation		
	🔽 Transfe	er 🔽 Sett	lement Amount			
Comment :	CMF/Client	Commissions				
Fee Type	Pricing	Transfer	Role	Accounting	Settle Amount	
EXECUTION_FEE	V	V	CounterParty	V		
COMMISSION FEE			CounterParty			

8.1.2 Fee Grids

The Fee Grid is just a link to the Fee Config window where you can define the actual fee amounts. You need to define one fee grid for each fee type.

You can use a static data filter to restrict the application of the fees.

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Fee Grid**.

📈 Fee Grid Window - \	/ersion - 0 (User: calypso_user)	
Trade Fee Grid Billing G	Grid Browse	
Grid Id	65681	Round Turn
Processing Org	ALL	WithHoldingTax
Legal Entity	ALL	Role CounterParty
Fee Type		SD Filter Cpty Not CME
Valid from		Valid to
Exchange	ALL	
Products	Swap	Ccy ANY
Security		Lag 0 Bus VNO_CHANGE V
Fee Details		
Amount	0	Attributes
Description CM	F / Client Commissions	
Min Amount. 0	Max Amount. 0	Calculator FeeConfig

The Calculator must be set to "FeeConfig".

You also need to set the following attributes:

- TRADE_DATE_TYPE should be set to "CLEARED DATE" so that the fee will settle on the cleared date set in the trade keyword CCPClearedDate.
- ZeroAmount should be set to "false" so that the system will not generate any fees with 0 amount.

🗾 Fee Grid Attributes Window	
Name	Value
RELATED_FEE	
TRADE_DATE_TYPE	CLEARED DATE
ZeroAmount	false

8.1.3 Fee Configs

You need to define one fee config for each fee type.

Note that for trade fees, the config type must always be set to "Trade Fee".

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Fee Config.**

Commission fees as specified below will be computed based on the trade notional. Depending on the trade's maturity we will apply x USD per million notional. E.g. for a 10 million trade maturing in 6 month: commission = 10*2 = 20 USD.

🗾 FeeConfigWindow								_ 🗆 ×
Menu								
🗉 🗸 📮 🖬 📓	😾 🕜 🗙							
Edit Browse								
References			Formula					
Config ID	32515			A . 1 -	. 1			
Name	Commission fees		Add 4	🖉 Edit 🖳 Di	elete			
Config Type	Trade Fee		Min Amb			May Topor	Eaveral	Cola Llait
Rule Type	Volume		MILLAUIC		Mill Terlor	Max renor		
Scale By	Notional		L	J 00) UD	1 Y	Unitivotional*2	1,000,000
Event Type	Trade			ο α	1Y	3Y	UnitNotional*5	1,000,000
Fee Currency	USD		ļ	0 0	3Y	6Y	UnitNotional*9	1,000,000
Effective From				0 00	6Y	9Y	UnitNotional*12	1,000,000
Effective To			L 1) 0	9Y	12Y	UnitNotional*16	1,000,000
Description	SSGM -> CPTY			0 00	12Y	16Y	UnitNotional*20	1,000,000
boochpoon	pour y arri	_) 🗠	16Y	21Y	UnitNotional*25	1,000,000
Filters				0 00	21Y	26Y	UnitNotional*30	1,000,000
ProcessingOrg	SSGM LLC			0 00	26Y	50Y	UnitNotional*35	1,000,000
Legal Entity	CPTY B							
Role	CounterParty							
Fee Type	COMMISSION_FEE							

Sample formula definition.

🕌 Formula Definition 🛛 🗙						
Ranges						
Min Amount	0					
Max Amount	ω					
Min Tenor	0D					
Max Tenor	1Y					
Calc Unit	1,000,000					
UnitNotional*2						
Variables	Operators					
UnitNotional Notional Quantity ContractSize	* • • • • • • • • • • • • • • • • • • •					

8.2 CCP Commissions and Maintenance Fees

The following periodic fees can be setup:

- The CCP charges commissions on the trades to the clearing member on a periodic basis Example CME_COMMISSION_FEE.
- The CCP charges maintenance fees on the accounts to the clearing member on a periodic basis Example CME_MAINTENANCE_FEE.
- The clearing member charges maintenance fees on the accounts to the clients on a periodic basis Example MAINTENANCE_FEE.

They are computed by the Billing engine based on billing grids and billing rules.

The fee types that you want to compute on a periodic bases must be defined in the domain BillingFeeType.

🚊 🔤 Billi	ngFeeType
	CME_COMMISSION_FEE
	CME_MAINTENANCE_FEE
	MAINTENANCE_FEE
. –	

8.2.1 Billing Grids

The Billing Grid is a onetime configuration that should be as generic as possible. At least one billing grid is needed by billing event (trade, transfer, message, MaintenanceTrade, Account). The idea here is to link the fee calculation to the Fee Config window (via the calculator), and determine what date type should be used to generate the fee billing entry.

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Fee Grid** to define billing grids.

Billing Grid for Trade Events

🜽 Fee Grid Window (U	lser: caly	pso_user)						
Trade Fee Grid Billing G	Grid Brow	se						
Grid Id			0		Account	ALL		-
Processing Org	ALL				Ccy	ANY		
Legal Entity	ALL				Role	CounterParty		-
Event Type	Trade		•	Fee V	alue Date	TradeClearedDate		-
					SD Filter			
Valid from					Valid to			
Description	Commissio	ns						
Calculator	FeeConfig)	-		٨dd	Remove		
Use Multiple Calcula	tors							
Billing Calculators —								
Id Type		StaticDataFilter	AmountType	Currency	Descriptio	n RefDateTime	TimeZone	StartT
0 BillingFeeConfigC	alculator		AMOUNT		NONE			

- Role = CounterParty
- Fee Value Date = TradeClearedDate
- Calculator = FeeConfig

Billing Grid for Trade Rebate Events

This billing grid only applies if a rebate is defined in the Fee Config.

📕 Fee Grid Windo	w - Version - 2							
Trade Fee Grid Billing	Grid Browse							
Grid Id		3	2548		Account	ALL		-
Processing Org	SSGM LLC				Ccy	ANY		
Legal Entity	ALL				Role	CounterParty	/	-
Event Type	Trade		•	Fee	Value Date	TradeCleared	dDate	•
					SD Filter			
Valid from					Valid to			
Description	Billing Trade Fee Re	bates ALL						
Calculator	TradeFeeRebate		•		Add	Rem	nove	
🔲 Use Multiple Calcul	ators							
 Billing Calculators — 								
Id	Туре	StaticDataFilter	Amoun	tType	Currency	Description	RefDateTime	TimeZon
32549 BillingTradeF	eeRebateCalculator		AMOUN'	Г		NONE		

- Role = CounterParty
- Fee Value Date = TradeClearedDate
- Calculator = TradeFeeRebate

Billing Grid for Maintenance Trade Events

This billing grid will apply for ALL counterparties on MaintenanceTrade billing events, in our case MAINTENANCE_FEE and CME_ MAINTENANCE_FEE. Note that "date" should be set to "CustomDate" since the billing frequency is determined on the Fee Config.

📈 Fee Grid Window (U	ser: caly	pso_user)						
Trade Fee Grid Billing G	Grid Brow	se						
Grid Id			()	Account	ALL		-
Processing Org	ALL				Ссу	ANY		
Legal Entity	ALL				Role	CounterParty		-
Event Type	Maintenar	nceTrade	-	Fee \	/alue Date	CustomDate		-
					SD Filter			
Valid from					Valid to			
Description	Maintenar	ice Fees						
Calculator	FeeConfig)	-]	Add	Remove		
🔲 Use Multiple Calcula	tors							
Billing Calculators								
Id Type		StaticDataFilter	AmountType	Currency	Descriptio	on RefDateTime	TimeZone	StartT
0 BillingFeeConfigCa	alculator		AMOUNT		NONE			

• Role = CounterParty

- Fee Value Date = CustomDate
- Calculator = FeeConfig

8.2.2 Billing Rules

The Billing Rule determines the billing period, settle date, billing currency of the billing trade on which the billing fee entry will be generated. It is also possible to default certain billing trade entries such as the book and transfer type.

You need to define one billing rule per fee type.

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Fee Billing Rule** to define billing rules.

CONTRACT REBATE

This config will apply for ALL counterparties in case a rebate applies.

Note that the attributes BillingOnly and EntryType are mandatory. BillingOnly should always be set to true and EntryType to the corresponding fee type.

•
•
•
NYC
-1BUS
-
5

MAINTENANCE_FEE

You can select a given client (counterparty) as needed.

🗾 Fee Billing Rule Wir	ndow - Version - 2				
Edit Browse					
Id I		32559		SD Filter	•
Processing Org	SSGM LLC	•		Role	CounterParty 🗾
Legal Entity	СРТҮ В			Effective To	
Effective From				Billing Ccy	USD 💌
Billing Asset Type	NEXT_BILLING_DATE	•		Holidays	NYC
Billing Date Rule		EOM CAL	S	ett. Date Rule	EOM+1BUS
Adjust. Days	0 🗖 Bus. Day	/s	Billing As	sset Threshold	0
Billing Threshold	0		In	put Date Type	TradeDate 💌
New	Delete	Save		SaveAsNew	Add Attributes
Book BILLING_BOOK	Bundle	ļ	KwdAgent	ļ	XferType MAINTENANCE
🗾 Attributes Window					
	Domain				
Name			Value		
BillingOnly	true				
DefaultBook	BILLIN	IG_BOOK			
DefaultTransferType	MAINT	ENANCE			
EntryType	IMAINI	ENANCE_FE	E		

CME_MAINTENANCE_FEE

This rule will only apply for maintenance fees that will be charged from the CCP (CME in this example).

🗾 Fee Billing Rule Window - Vers	ion - 5				
Edit Browse					
- Id	32562		SD Filter	[•
Processing Org SSGM LLC	•		Role	CounterParty	•
Legal Entity CME			Effective To		
Effective From			Billing Ccy	USD	-
Billing Asset Type NEXT_BILLING	-DATE		Holidays		NYC
Billing Date Rule	EOM CAL	Se	ett. Date Rule	EOM	1+1BUS
Adjust. Days 0	Bus. Days	Billing As	set Threshold	0	
Billing Threshold 0		Ing	out Date Type	TradeDate	-
New Del	ete Save		SaveAsNew	<u>A</u> dd Attribut	es
Book Bundle Bundle	4	KwdAgent		XferType	·
📈 Attributes Window					
Domain					
Name	Va	alue			
BillingOnly	true				
DefaultBook	BILLING_BOOK				
DefaultTransferType	CME_MAINTENANCE				
Entry Type Vfor PuRook	CME_MAINTENANCE_				

CME_COMMISSION_FEE

This rule is for CME only since the commissions charged by the clearing member are charged directly on the trades.

🗾 Fee Billing Rule Window - Ve	ersion - O						
Edit Browse							
- Id	32563		SD Filter	•			
Processing Org SSGM LLC	•		Role	CounterParty 💌			
Legal Entity CME			Effective To				
Effective From			Billing Ccy	USD 💌			
Billing Asset Type NEXT_BILL			Holidays	NYC			
Billing Date Rule	EOM CAL		Sett. Date Rule	EOM+1BUS			
Adjust. Days 0	🗖 Bus. Days	Billir	lling Asset Threshold 0				
Billing Threshold 0			Input Date Type	TradeDate 💌			
New	Delete Save		SaveAsNew	<u>A</u> dd Attributes			
Defaults Trade Billing Values							
Book Bund		KwdA	gent				
Attributes Window							
Domain							
Name		Value					
BillingOnly							
DefaultTransferType	CME_COMMISSION						
EntryType	CME_COMMISSION	FEE					
XferByBook	false						

8.2.3 Fee Configs

You need to define one fee config for each type of fee. The billing rule is linked to the fee config via the attribute EntryType.

From the Calypso Navigator, navigate to **Configuration > Fees, Haircuts, & Margin Calls > Fee Config** to define fee configs.

MAINTENANCE_FEE

Maintenance fees are generated on account balances.

On the account for which you want to generate the fees, you need to check the Billing checkbox.

 $\label{eq:maintenance} \ensuremath{\mathsf{MaintenanceTrade}}\xspace \ensuremath{\mathsf{which}}\xspace \ensuremath{\mathsf{s}}\xspace \ensuremath{\mathsf{coupled}}\xspace \ensuremath{\mathsf{s}}\xspace \ensuremath{\mathsf{s}}\xsp$

NOTE: You can set the legal entity attribute WAIVE FIRST to true to waive the first billing fee.

Scheduled task ACCOUNT_BILLING:

🗾 Scheduled	Task Window [111	004SP5/ss	gmtest/matthieu_ca	lypso]	
Report Tools He	elp				
Definition Report	t]				
? Type	ACCOUNT_BILLING	-	Description		
Trade Filter	ALL	•	Pricing Env		•
User	calypso_user	•	Filter Set		•
Measures 🛛					
Time Zone	US/Eastern	•	Exec Time	н	м
Scheduled Task Window [111004SP5/ssgmtest/matthieu_calypso] Report Tools Help Definition Report] ? Type ACCOUNT_BILLING Description Trade Filter ALL Pricing Env User calypso_user Filter Set Measures Time Zone US/Eastern Exec Time H From Days 0 To 0 Valuation Time 12 H 0 Measures Undo Time H M From Days 0 To 0 Valuation Time 12 H 0 M Holidays NYC Undo Time H M M Skip Exec CutOff 0 Hour Min Fexecute Publish Account NAME		м			
Holidays	NYC		Undo Time	н	м
	Skip Exec CutOff	0 Hour	0 Min		
Attributes				▼ Execute	
	Attribute		Value	Publish	
ACCOUNT NAME				Comment	
LEGAL_ENTITY				-	_
CHECK FEE CON	FIG	True			
PROCESS		 Maintenand 	ce Trade		

Fee Config:

🗾 FeeConfigWindov	w						
Menu							
🖬 🗸 📮 🖬 🖉	🕯 😾 🛛 ×						
Edit Browse							
References		Formula					
Config ID	32578				1		
Name	Maintenance Fees	Ado	I 🥒 Edit 🛛 🔍	Delete			
Config Type	Billing Fee				May Arot	Min Tenor	May Tepor
Rule Type	Maintenance		in Anc	1	PIGX MIIIU	mill terior	
Scale By	Notional		L	' I			501
Tiered							
Event Type	MaintenanceTrade						
Fee Currency							
Effective From							
Effective To							
Description	SSGM -> CPTY						
Filters							
ProcessingOrg	SSGM LLC						
Legal Entity	CPTY B						
Role	G						
Billing Fee Type	MAINTENANCE_FEE						
Exchange							
Product Type	Swap						
Security ID							
Book							
Book Attr							
Currency							
Account ID							
Fee Date	QUARTERLY						
Fee Date	QUARTERLY						

- Config Type = Billing Fee
- Rule Type = Maintenance
- Event Type = MaintranceTrade

• Billing Fee Type = EntryType set on Billing Rule = Billing fee type

• Fee Date = Fee frequency

Sample formula

🕌 Formula Definition 🛛 🗙										
Ranges										
Min Amount	0									
Max Amount	ω									
Min Tenor	0D									
Max Tenor	50Y									
Calc Unit	1,000,000									
Variables Operators										
· 										
	Operators									
	*									
UnitNotional Notional	*									
UnitNotional Notional Period	* / +									
UnitNotional Notional Period Quantity	* • / • + • • •									

CME_MAINTENANCE_FEE

Similar setup to MAINTENANCE_FEE.

🗾 FeeConfigWindow							
Menu							
🖬 🖌 📮 🖬 😭	🔀 😧 ×						
Edit Browse							
References		F	Formula				
Config ID Name	32575 CME Maintenance Fees		📮 Ade	d 🤌 Edit	🛃 Delete		
Config Type	Billing Fee		Min Amt	May Amb	Min Tenor	May Tepor	Eoroula
Rule Type	Maintenance		Pill Mills			FOV	APS/MIN(100_MAY(1_1*UpitNotional)))
Scale By	Notional		0		00	301	-Ab5(HiN(100, HAX(1,1 OhidVodohal)))
Tiered							
Event Type	MaintenanceTrade						
Fee Currency							
Effective From							
Effective To							
Description	CME -> SSGM						
Filters		١					
ProcessingOrg	SSGM LLC						
Legal Entity	CME	111					
Role	CounterParty						
Billing Fee Type	CME_MAINTENANCE_FEE						
Exchange							
Product Type	Swap						
Security ID							
Book							
Book Attr							
Currency							
Account ID							
Fee Date	QUARTERLY						

CME_COMMISSION_FEE

This fee is generated by the Billing engine based on trade events.

🗾 FeeConfigWindow											
Menu											
🖬 🗸 📮 🖬 😭	🔀 🥹 ×										
Edit Browse											
References		Formula									
Config ID	32565			A .	1 1						
Name	CME Commission fees	나	Add	🌽 Edit	🛛 🗙 Delete						
Config Type	Billing Fee		lin Amt	. [May Amt	1		Min Tenor	<u> </u>	May Tenor	Eormula
Rule Type	Volume				Max Hind		00	MITTONO	1.V	Max renor	-ARS/UpitNotional#2)
Scale By	Notional			0			10		21		ADD(Unit/Votional 2)
Tiered				U		8	11		31		-ABS(Unitivotional*5)
Event Type	Trade			U		00	34		6Y		-ABS(UnitNotional*9)
Fee Currency	USD			0		ω	6Y		9Y		-ABS(UnitNotional*12)
Effective From				0		ω	9Y		12Y		-ABS(UnitNotional*16)
Effective To				0		ω	12Y		16Y		-ABS(UnitNotional*20)
Description	CME -> SSGM			0		ω	16Y		21Y		-ABS(UnitNotional*25)
Description	CHE > SOGH			0		ω	21Y		26Y		-ABS(UnitNotional*30)
Filters				0		∞	26Y		50Y		-ABS(UnitNotional*35)
ProcessingOrg	SSGM LLC										
Legal Entity	CME										
Role	CounterParty										
Billing Fee Type	CME_COMMISSION_FEE										

8.2.4 Billing Trades

The Billing engine is used to create the billing fees.

It must subscribe to the following events:

- PSEventTrade
- PSEventAccountBilling
- PSEventMaintenanceTrade

Version 14.0+

Make sure that the Billing engine is set in the parameter "engines.startup" of "<calypso home>/deploy/EngineStartupConfig.properties":

engines.startup=TransferEngine,MessageEngine,InventoryEngine,AccountingEngine,Liquidat ionEngine,PositionEngine,TaskEngine,LifeCycleEngine,BillingEngine

You can start the Billing engine as part of the Engine server using "<calypso home>/startEngineserver.bat" on Windows platforms, or "<calypso home>/startEngineserver.sh" on *nix platforms.

Version 14.1+

The Billing engine is configured in the Engine Manager of Web Admin: event subscription and engine parameters. You may need to add this engine if it is not available for configuration: Create a new engine called BillingEngine, with class name com.calypso.engine.billing.BillingEngine.

The Billing engine can be started from the Engine Manager in Web Admin.

Please refer to Calypso Web Admin documentation for complete details.

×

🥖 Billing(-900	.00 USD)	-PO is Sta	te Street G	lobal Ma	arke	ts LLC (6	0894) -	Version: 0	Mod	User :	(a	- 🗆
Trade Back Office	e Billing	Analytics	Pricing Env 1	Market Da	ita	Utilities He	elp Tem	plate				
Trade Details F	ees Billing	Fees										
		c	ounterParty	Book	BILLI	NG_BO 🔻	Status	VERIFIED	ID	•	60894	
From		Pr	ocessingOrg	Trade	e Date	04/01/20	11	11:43:44 AM	Set	tle Date	05/02/2	011
						Start	Date 04/	/01/2011	End C)ate	04/30/2	011
Pay	Tra	nsfer Type	CME_COMMI	SSION	•	Ac	count Id	3	31380		CPT	YB@CME
						Fee	Billing Id	3	32563			
Principal		900.00) Ccy	USD	•			Templa	ate	NONE		-
Adjustment		0.00	0									
Trade Details F	ees Billin	ng Fees										
Legal Entity	CME				Cou	unterParty						
		Billing E	vent				Billing G	rid				
Date Va	alue Date	Amou	int Type	Amo	unt	Currency	Conve	erted Amount	Ma			
04/06/2011 04/	06/2011	CME_COMM	ISSION_FEE	(900	.00)	USD		(900.00))			

Sample CME_COMMISSION_FEE

As more trades are entered into the system, more billing fees are added to the same billing trades.

Trade Details Fees Billing Fees					
Legal Entity CME			CounterParty		
	Billing Event		Billing Grid		
Date	Value Date	Amount Type	Amount	Currency	Converted Amount
04/06/2011	04/06/2011	CME_COMMISSION_FEE	(900.00)	USD	(900.00)
04/08/2011	04/08/2011	CME_COMMISSION_FEE	(1,100.00)	USD	(1,100.00)

Sample MAINTENANCE_FEE
🌽 Billing(85.00 USD) -PO is State Street Global Markets LLC (60890) - Version : 1 Mod User :(ad	_ 🗆 ×
Trade Back Office Billing Analytics Pricing Env Market Data Utilities Help Template	
Trade Details Fees Billing Fees	
From CPTY B CounterParty Book BILLING_BO 💌 Status VERIFIED ID 💌 6089	0
To ProcessingOrg Trade Date 07/01/2011 11:27:17 AM Settle Date 08/01/	2011
Start Date 07/01/2011 End Date 07/31/	2011
Receive Transfer Type MAINTENANCE Account Id 31378 CPT	YB@SSGM
Fee Billing Id 32559	
Principal 85.00 Ccy USD Template NONE	-
Adjustment 0.00	
Trade Details Fees Billing Fees	
Legal Entity CME CounterParty	
Billing Event Billing Grid	
Date Value Date Amount Type Amount Currency Converted Amount	
07/06/2011 07/06/2011 MAINTENANCE_FEE 30.00 USD 30.00	
07/08/2011 07/08/2011 MAINTENANCE_FEE 55.00 USD 55.00	

Rebate Process

In case a rebate is configured on the Fee Config, rebate entries are generated using the EOD_REBATE_FEE scheduled task.

The rebate process adjusts the fee rate based on all the events of the billing period (Default rebate type), or applies a discount based on the total fee amount and the discount schedule (Discount rebate type).

The EOD_REBATE_FEE scheduled task must be run daily. It retrieves the billing trades for which the end date falls on the scheduled task valuation date.

The system creates new billing entries of type REBATE to book the difference between the billing fee amount originally computed, and the billing fee amount computed at the end of the period, once the actual fee rate is known / discount is applied. There is one REBATE billing entry per trading book.

🏒 Scheduled Ta	ask Window [120100/re	elease_clear	ing/]calypso_u	ser		
Report Tools	Help					
Definition Repo	rt					
	r					
? Type	EOD_REBATE_FEE	•	Description	Compute rebat	e of B	ILLING fees
Trade Filter	SWAP TRADES	•	Pricing Env	default		•
User	calypso_user	•	Filter Set			•
Measures						
Time Zone	America/New_York	•	Exe	: Time	н	М
From Days	0 To (D	Valuatio	n Time 12	2 Н	0 M
Holidays			Undo	Time	н	м
	Skip Exec CutOff	0 Hou	r 0 Min			
Attributes						Execute
Attribute		Value				Publish
Contract Fee		▼ False			Comm	ent
APPLY ACTION		- AUTHOR	IZE			
LegalEntity						
🛃 Enter Val D	ate and					
Val Date	03/31/2012					
Val Time	12:00:00 PM					
Scheduling Eng	jine √ Run locally					
ОК	Annuler					

2 Refer to *Calypso Fees* documentation for details on using these windows.

8.3 Initial Margin Fees

The CCPs charge fees on the initial margin requirements.

Billing events are generated by the scheduled task CLEARING_BILLING based on account positions. The Billing engine subscribes to the billing events to generate the fees (billing trades) based on billing grids and fee billing rules.

The Billing Grid calculator "InitialMarginFee" computes fees of type IM_BASED_FEE, on a periodic basis, using the scheduled task CLEARING_BILLING and the Billing engine.

The scheduled task CLEARING_BILLING will only process accounts for which the Billing checkbox is checked.

Make sure that you add IM_BASED_FEE to the domain "BillingFeeType".

You also need to add BillingInitialMarginFeeCalculator to the domain "billingCalculator".

Setup details are described in the following sections.

8.3.1 Billing Grid

Choose **Main Entry > Configuration > Fees, Haircuts, & Margin Calls > Fee Grid**, and select the Billing Grid panel to define billing grids.

Fee Grid Wind	ow - Version - O (User	: calypso_user)					
rade Fee Grid B	illing Grid Browse						
G	id Id	13	2700	Account	ALL		•
Processing	Org ALL			Ccy	USD		
Legal E	ntity ALL			Role	CounterParty	/	•
Event	Type Account		-	Fee Value Date	CustomDate		•
				SD Filter	LCH IRD by k	eyword	
Valid	from 01/01/2012			Valid to	12/31/2017		
Descri	otion LCH IRD Daily IM f	Based Fee in USD					
Calcu	lator InitialMarginFee		•	Add	Rem	ove	
Use Multiple C	alculators						
Billing Calculate	rs						
Id	Туре	StaticDataFilter	AmountT	ype Currency	Description	RefDateTime	TimeZon
132701 BillingIr	nitialMarginFeeCalculator		AMOUNT	USD	NONE		

Enter the criteria as needed.

Select the calculator BillingInitialMarginFeeCalculator and click Add.

🏄 Initial Margin Fee	Calculator			
Id: 29	98698	Description:		
CCP: L	сн 💌	Product:	IRD	•
Fee Type: D	AILY	Billing Type:	IM_BASED_FEE	•
Holidays: N	YC	Day Count:	ACT/360	•
Fee Rate (bps): 30	0.00	Currency:	USD	•
Post-buffer:	i			

The Daily fee type uses the previous day's IM Requirement to calculate each day's Fee, and carries the calculation forward to include the non-business days that immediately follow a given date. For example, the Fee calculated for a Friday will be generated for 3 days to cover Friday, Saturday and Sunday.

The Daily fee type inserts a unique Fee into the Billing Trade for each day that the scheduled task is run. The sum of these Daily Fees will be the Monthly Total. The Fee currency for the Daily Fee is expected to be in the currency of the Requirement, so there is no FX Conversion logic.

You can also select the currency as needed to define different IM requirements by currency.

If you check "Post-Buffer" the base amount to compute the fee is the Net Balance of the margin call contract (which takes the buffers into account). Otherwise, it is the pricer measure MARGIN_CALL.

Billing Account Segregation by Clearing Service

You can setup the account attribute ProductType on the billing account to segregate the billing fee by clearing service.

The ProductType attributes needs to match the "Product" field specified for the BillingInitialMarginFeeCalculator.

L	Account Attributes Window MAPPING CUS01 CME-SWAP (141221)										
	Name	Value 🗸									
	IS_IEF4	true									
	ProductType	▼ IRD									
	AccountType	▼ Client									
	Clearing Book	CUS01									
	SERVICES	CME-IRD									
	CCPOriginCode	- CLIENT									
	InitialMarginAccount	АААА									

8.3.2 Fee Billing Rule

The billing rule allows defining the billing frequency, and a billing threshold if needed.

Define the billing rule using Main Entry > Configuration > Fees, Haircuts & Margin Calls > Fee Billing Rule (menu action refdata.FeeBillingRuleWindow).

Fee	Billing Rule Windo	۲ - Version - O (User: calypso_user)	_ 🗆 ×
Edit	Browse		
-	Id	132704 SD Filter	
	Processing Org	ALL Role CounterParty	
	Legal Entity	ALL Effective To 12/31/2017	
	Effective From	01/01/2012 Billing Ccy ANY	
	Billing Asset Type	NEXT_BILLING_DATE Holidays	
	Billing Date Rule	@Last Business Day of Month Sett. Date Rule @7th Business Day of Month	
	Adjust. Days	0 Bus. Days Billing Asset Threshold 0	
	Billing Threshold	0 Input Date Type TradeDate	
	New	Delete Save SaveAsNew Add Attributes	
	efaults Trade Billing V	alues	
	Book (M Based Fee Book	Bundle KwdAgent XferType	

>> Click Add Attributes to add the EntryType attribute.

Attributes Window							
Domain							
Name	Value						
DefaultBook	IM Based Fee Book						
DefaultTransferType	T						
EntryType	IM_BASED_FEE						
BillingOnly							

Set EntryType = User-defined fee, "IM_BASED_FEE" in this example.

8.3.3 Fee Generation

Configure the CLEARING_BILLING scheduled task.

	Task Description	
	Task Type:	CLEARING_BILLING
	External Reference:	0.50 CALYPUS - LCH
	Comments:	Generates Account Event to Trigger Generation of IM Based Fees
	Description:	Generates Account Event to Trigger Generation of IM Based Fees
	Execution Parameters	
	Attempts: 1	Retry After: 0 minutes Expected Execution Time
	JVM Settings: -Xms5	12m -Xm×1024m -XX:MaxPermSize=256m
	Log Settings:	
	Task Notification Options	
	🔲 Send Emails 🛛 🗍	Publish Business Events To User:
[± Common Attribute	5
[Task Attributes	
	CCP	LCH
	PRODUCT TYPE	IRD

- » Select the CCP for which you want to generate the fees.
- >> Select the product type as needed.

[NOTE: For the CME IM fee, the scheduled task should be run only at the end of the month]

If the business holidays are set, and the valuation date is a holiday, the scheduled task fails. You can monitor the exception in the Task Station:

- Add EX_CLEARING_BILLING to the domain "eventType".
- Add CLEARING_BILLING to the domain "exceptionType".

The scheduled task looks up the clearing account and generates PSEventAccountBilling events based on the billing grid.

The Billing engine subscribes to PSEventAccountBilling events and generates billing trades based on the billing rule.

Version 14.0+

Make sure that the Billing engine is set in the parameter "engines.startup" of "<calypso home>/deploy/EngineStartupConfig.properties":

engines.startup=TransferEngine,MessageEngine,InventoryEngine,AccountingEngine,Liquidat ionEngine,PositionEngine,TaskEngine,LifeCycleEngine,BillingEngine

You can start the Billing engine as part of the Engine server using "<calypso home>/startEngineserver.bat" on Windows platforms, or "<calypso home>/startEngineserver.sh" on *nix platforms.

Version 14.1+

The Billing engine is configured in the Engine Manager of Web Admin: event subscription and engine parameters. You may need to add this engine if it is not available for configuration: Create a new engine called BillingEngine, with class name com.calypso.engine.billing.BillingEngine.

The Billing engine can be started from the Engine Manager in Web Admin.

Please refer to Calypso Web Admin documentation for complete details.

The book is set on the billing trades according to the following logic:

- The book specified on the billing rule is selected by default.
- If not set, the "Funding Book" legal entity attribute on the PO is selected.
- If not set, the standard clearing book lookup method is used.
 See <u>Defining Books</u> for details.

Sample billing trade:

Billing(8.03 USD)	-PO is C	alypso Cl	earing US FC	M (298699)	- Version	: 0 Mod U	ser :() [1	300075P2	/CLEAR	LING_25]	🗆	×
Trade Ba	ack Office	Billing	Analytics	Pricing Env	<u>M</u> arket Data	Utilities	Helo Ter	onlate D) -BO is (alunco Clo	aring US	ECM (2004	:00) - Ve	orcior
							iy(o.03 05	<i>)</i> -POISC	aiypsu cie	aning 05	FCM (2900	999) - VE	arsioi
Trade D	etails Fees	; Billing	Fees										
From	CUSTOMER_	A		CounterParty	Book IM	Based F	🚽 Statu	IS VERIFIE	D II		298699		
то	CALYPSO_US	5	I	ProcessingOrg	Trade Da	te 04/01/	2013	7:27:40 A	M Set	tle Date	05/10/201	13	
						Sta	rt Date 04	/01/2013	End	Date	04/30/201	13	
Red	ceive	Tran	sfer Type	IM Billing Fe	e 🔻	1	Account Id		114213	CUST_	A@FCM_CN	1E_IRD	
						F	ee Billing Id		132704				
Princ	cipal		8.(03 C	cy USD 💌]		т	emplate	NONE		T	
Adjust	tment		0.0	00									

🥖 Billing	g (8.03	USD)	-PO is	Calypso Cl	earing US FC	M (298699	9) - Version	: 0 Moo	l User :()	[13000	75P2/CLEARING	_25] 💶 🗖 🗙
Trade	Back O	ffice	Billing	Analytics	Pricing Env	Market Data	a Utilities	Help	Template			
Trade	Details	Fee	s Billing	; Fees								
Lega	Legal Entity											
				Billing Ev	ent		Billir	ng Grid				
D	ate	Valu	e Date	Amount Ty	pe Amount	Currency	Converted	Amount	Manual A	mount	Override Amount	Billing Event
04/30,	/2013	04/08	/2013	AMOUNT	8.03	USD		8.03				Account

8.4 Security Collateral Fees

Billing events are generated by the scheduled task CLEARING_BILLING based on margin call positions. The Billing engine subscribes to the billing events to generate the fees (billing trades) based on billing grids and fee billing rules.

The Billing Grid calculator "BondInvestmentFeeCalculator" computes fees of user-defined type, on a periodic basis, using the scheduled task CLEARING_BILLING and the Billing engine.

The scheduled task CLEARING_BILLING will only process accounts for which the Billing checkbox is checked.

Add the fee type that you want to generate to the domain "BillingFeeType". For example, "CORP_BONDS".

You also need to add BondInvestmentFeeCalculator to the domain "billingCalculator".

Setup details are described in the following sections.

8.4.1 Billing Grid

From the Calypso Navigator, navigate to **Configuration** > **Fees, Haircuts, & Margin Calls** > **Fee Grid**, and select the Billing Grid panel to define billing grids.

🔎 Fee Grid Wind	ow - Version - 9						
Trade Fee Grid E	illing Grid Browse						
G	rid Id	2	93697	Account	ALL		-
Processing	Org ALL			Ccy	ANY		
Legal B	intity CUS01			Role	CounterPart	:Y	-
Event	Type Account		▼ Fe	e Value Date	CustomDate	;	-
				SD Filter	SERVICES C	ME IRD	
Valid	from			Valid to			
Descri	ption Corp Bond						
Calcu	lator BondInvestmentFe	eCalculator	-	Add	Rer	nove	
🔲 Use Multiple C	Calculators						
Billing Calculate	ors						
Id	Туре	StaticDataFilter	AmountType	Currency	Description	RefDateTime	TimeZone
293698 BondIr	nvestmentFeeCalculator		AMOUNT	USD I	NONE		
						-	

Enter the criteria as needed.

Select the calculator	BondInvestmentFeeCalculator	and click	Add.
-----------------------	-----------------------------	-----------	------

🛃 Bond Investme	nt Fee Calculator				
Id	293698				
CCP	CME				
Product Subtype	CORP				
Holidays	NYC	. Day Count	ACT/360	•	
Fee Rate (bps)	10	Currency	USD	Ŧ	
HairCut	Pre-HairCut	BillingType	CORP_BONDS	Ŧ	
					Apply

- » Enter the details of the calculator.
- » Set the billing type to the user-defined fee, CORP_BONDS in this example.
- >> Then click Apply.

Save the billing grid when you are done.

Billing Account Segregation by Clearing Service

You can setup the account attribute ProductType on the billing account to segregate the billing fee by clearing service.

L	📈 Account Attributes Window MAPPING CUS01 CME-SWAP (141221)					
	Name	Value 🗸				
	IS_IEF4	true				
	ProductType	▼ IRD				
	AccountType	▼ Client				
	Clearing Book	CUS01				
	SERVICES	CME-IRD				
	CCPOriginCode	- CLIENT				
	InitialMarginAccount	АААА				

8.4.2 Fee Billing rule

The billing rule allows defining the billing frequency, and a billing threshold if needed.

Define the billing rule using Main Entry > Configuration > Fees, Haircuts & Margin Calls > Fee Billing Rule (menu action refdata.FeeBillingRuleWindow).

Edit Browse			
Id	280703	SD Filter	
Processing Org	CALYPUS	Role	CounterParty
Legal Entity	CUS01	Effective To	
Effective From	01/01/2010	Billing Ccy	USD
Billing Asset Type	IMMEDIATE 💌	Holidays	
Billing Date Rule	@End of Month	Sett. Date Rule	@7th Business Day of Month
Adjust. Days	0 🗖 Bus. Days	Billing Asset Threshold	0
Billing Threshold	0	Input Date Type	TradeDate 💌
New	Delete Sav	e SaveAsNew	Add Attributes
Defaults Trade Billing \	/alues		
Book CUS01	Bundle	KwdAgent	XferType CORP_BONDS

>> Click Add Attributes to add the EntryType attribute.

🕖 Attributes Window					
Domain					
Name	Value				
Billing Fee Type	CORP_BONDS				
BillingOnly	true				
DefaultBook	CUS01				
DefaultTransferType	CORP_BONDS				
EntryType	CORP_BONDS				
DefaultBundleID					

Set EntryType = User-defined fee, "CORP_BONDS" in this example.

8.4.3 Fee Generation

Configure the CLEARING_BILLING scheduled task.

Task Description						
Task Type:	CLEARING_BILLING					
External Reference:	0.50 CALYPUS - CME IRD					
Comments:	Generates Account Event to Trigger Clearing Related Billing Fees					
Description:	Generates Account Event to Trigger Clearing Related Billing Fees					
Execution Parameters						
Attempts: 1	Retry After: 0 minutes Expected Execution Time					
JVM Settings: -Xms5	12m -Xmx1024m -XX:MaxPermSize=256m					
Log Settings:						
Task Notification Options						
🔲 Send Emails 🛛	Publish Business Events To User:					
E Common Attribute	25					
Task Attributes						
CCP	CME					
PRODUCT TYPE	IRD					

- >> Select the CCP for which you want to generate the fees.
- » Select the product type as needed.

If the business holidays are set, and the valuation date is a holiday, the scheduled task fails. You can monitor the exception in the Task Station:

- Add EX_CLEARING_BILLING to the domain "eventType".
- Add CLEARING_BILLING to the domain "exceptionType".

The scheduled task PSEventAccountBilling events based on the billing grid.

The Billing engine subscribes to PSEventAccountBilling events and generates billing trades based on the billing rule.

Version 14.0+

Make sure that the Billing engine is set in the parameter "engines.startup" of "<calypso home>/deploy/EngineStartupConfig.properties":

engines.startup=TransferEngine,MessageEngine,InventoryEngine,AccountingEngine,Liquidat ionEngine,PositionEngine,TaskEngine,LifeCycleEngine,BillingEngine

You can start the Billing engine as part of the Engine server using "<calypso home>/startEngineserver.bat" on Windows platforms, or "<calypso home>/startEngineserver.sh" on *nix platforms.

Version 14.1+

The Billing engine is configured in the Engine Manager of Web Admin: event subscription and engine parameters. You may need to add this engine if it is not available for configuration: Create a new engine called BillingEngine, with class name com.calypso.engine.billing.BillingEngine.

The Billing engine can be started from the Engine Manager in Web Admin.

Please refer to Calypso Web Admin documentation for complete details.

Section 9. Message Configurations

From the Calypso Navigator, navigate to **Configuration > Messages & Matching > Message Set-up** for defining messages.

9.1 CONSENT Messages

The CONSENT message is sent to the CCP once a trade has been approved / rejected in Calypso. Upon receipt of the CONSENT message, the CCP will clear / cancel the trade.

9.1.1 Message Setup

Edit Browse						
Product Type	ALL	¥	Language	English (United Sta	tes)	Ŧ
Event Type	CREDIT_CONSENTED_TRA	ADE 💌	Address Type	CME	-	
Message Type		Ŧ	Gateway	MQ		•
Processing Org	CALYPUS	Ŧ	Format Type	XML		•
PO Contact Type	Default	Ŧ	Template	CMEBridgeConsent	Granted	
Receive	r ALL		SD Filter	isCMEFeedTrade		
Receiver Role	e CounterParty	Ŧ		Matching		
Rec Contact Type	e Default	*		🗖 Do not Send Me	ssage	
Grouping		▼		🗖 Inactive		
Config Id	141787	Delete	Save	Save As N	ew	
Id Product	Event	Message A	ProcessinaOra	PO Contact Type	Receiver	Receiver Role
141786 ALL C	REDIT_CONSENTED_TRADE	CONSENT	CALYPUS	Default	ALL	CounterParty
141787 ALL CI	REDIT_CONSENTED_TRADE	CONSENT	CALYPUS	Default	ALL	CounterParty
280219 ALL C	REDIT_CONSENTED_TRADE	CONSENT	CALYPUS	Default	ALL	CounterParty

141783 ALL

280220 ALL

Edit Browse						
			r			_
Product Type	ALL	–	Language	English (United State:	s)	*
Event Type	CONSENT REJECTED_TRA	DE 💌	Address Type	CME	•	
Message Type		•	Gateway 🛛	MQ		-
Processing Org	CALYPUS	*	Format Type	XML		-
PO Contact Type	Default	*	Template	CMEBridgeConsentRe	fused	
Receive	ALL		SD Filter	isCMEFeedTrade		
Receiver Role	CounterParty	*	ſ	Matching		
Rec Contact Type	Default	*	ſ	Do not Send Messa	age	
Grouping	1	▼	ſ	Inactive		
Config Io	141780	Delete	Save	Save As New	,	
Id Product	Event	Message Type	ProcessingOrg	PO Contact Type	Receiver	Receiver Role
141790 ALL		CONSENT		Default	ALL	CoupterParty

9.1.2 Message Sender Config

CONSENT REJECTED_TRADE CONSENT CONSENT REJECTED_TRADE CONSENT

🖌 Message Sender Config									
Sender Config Copy	y Config								
Message Status	TO_BE_SENT	•	Product Type A	LL		•			
Advice Type	CONSENT	•	Address Type	СН		•			
Static Data Filter			Gateway M	Q		•			
🔽 Save	Master and Co	opies AdviceDocuments will be sav	ed in DB						
V Send	📝 Sender By	Method 🛛 🗐 Sender By G	Gateway						
LCHGatewayMQD	ocumentSender	class will be called							
Save Remove New									
Id Status	Product	Advice Type	Address Type	Gateway	SD Filter S	end	Save	By Gateway	By Method
297213 TO_BE_SEN	IT ALL	CONSENT	LCH	MQ		V	V	V	
297212 TO_BE_SEN	ALL	EXCHANGE_FEED_CONSENT_AC	к існ	MQ		V	V	V	

CALYPUS

CALYPUS

Default

Default

ALL

ALL

CounterParty

CounterParty

9.2 CLEARING_STATEMENT Messages

The CLEARING_STATEMENT message is the client statement – It is generated by the Message engine once the scheduled task CLEARING_STATEMENT sends the STATEMENT events.

Edit Browse						
Product Type	MarginCall	-	Lang	juage English		-
Event Type	STATEMENT	-	Address	Type MAIL	•]
Message Type	CLEARING_STATEMENT	*	Gate	eway FILE		-
Processing Org	ALL	-	Format	Type HTML		•
PO Contact Type	Default	-	Tem	plate IMFMCClea	aringStatement.html	
Receiver			SD	Filter		
Receiver Role	Client	•		🥅 Matchin	ng	
Rec Contact Type	Default	•		🔲 Do not	Send Message	
Grouping		•		🔲 Inactive	e	
Config Id	130290	Delete	Sav	/e S	ave As New	
					1	
Id Product	Event Messag	je Type 🛛 🖡	ProcessingOrg	PO Contact Type	e Receiver	
130290 MarginCall S	TATEMENT CLEARING_S	TATEMENT A		Default	ALL	

[NOTE: Receiver Role = Client]

We are using the role "Client" in this setup. It can also be "ExtCounterParty".

See <u>On-Boarding an Individual Client</u> for details.

You can select any HTML template – It will be overridden by the CLEARING_STATEMENT message formatter to use an XSL template.

If you also want to generate a PDF statement, add the following message configuration:

Edit Browse				
Product Type	MarginCall	Language	English	•
Event Type	STATEMENT	Address Type	CME .	
Message Type	CLEARING_STATEMENT	Gateway	FILE	•
Processing Org	ALL	Format Type	PDF	•
PO Contact Type	Default 🗾	Template	MCClearingStatementPDF.html	
Receiver		SD Filter		
Receiver Role	Client		Matching	
Rec Contact Type	Default 🗾		🗖 Do not Send Message	
Grouping	▼ …		T Inactive	

- Format Type = PDF
- >> Template = "CMFMCClearingStatementPDF.html"

9.2.1 Default Template

The location and name of the XSL template defaults to

"resources/com/calypso/templates/ClearingStatement.xsl".

The XSL template can be customized as needed.

For example, you can easily replace the "logo" image, and any disclaimer in the "footer".

```
<img src="https://www.calypso.com/images/logo.gif" alt="Logo"/>

    Statement generated by Calypso Technology, 2013.
```

The actual content of the client statement is defined in the file "resources/config/ClearingStatementFactory.xml".

[NOTE: If the "Excess/Deficit Including Pending Collateral" row name is customized in "ClearingStatementFactory.xml", all occurrences of such name must also be replaced in "ClearingStatement.xsl"]

9.2.2 Defining a Template by Legal Entity

It is possible to override the default location of the template, and set it by legal entity, using the configuration file "resources/com/calypso/tk/clearing/factory/ResourceClearingFactory.Statement.xml".

A sample configuration file is provided in

"resources/com/calypso/tk/clearing/factory/ResourceClearingFactory.Statement.xml.sampl e". You need to rename it to

"resources/com/calypso/tk/clearing/factory/ResourceClearingFactory.Statement.xml" in order to use it.

If this file does not exist, the default template will be used instead.

```
<?xml version="1.0" encoding="UTF-8"?>
<beans xmlns="http://www.springframework.org/schema/beans"</pre>
      xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:util="http://www.springframework.org/schema/util"
      xsi:schemaLocation="
             http://www.springframework.org/schema/util
             http://www.springframework.org/schema/util/spring-util-3.0.xsd
             http://www.springframework.org/schema/beans
             http://www.springframework.org/schema/beans/spring-beans-3.0.xsd"
      default-init-method="init" default-destroy-method="destroy">
      <!-- statementConfigurationPaths has to be a list of valid Spring resource
paths. See http://docs.spring.io/spring/docs/3.0.x/spring-framework-
reference/html/resources.html#resources-app-ctx for more info -->
      <!-- statementTemplatePath has to be either an absolute file path, or a
classpath, with no classpath: or file: prefix -->
      <!-- SAMPLES
      <bean id="calypsoUKresourceLocations"</pre>
      class="com.calypso.tk.bo.clearing.statement.ClearingStatementResourcesLocator" >
             <meta key="LegalEntity" value="CALYPSO UK"/>
             <property name="statementTemplatePath"</pre>
                    value="com/calypso/templates/custom statement.xsl" />
             <property name="statementConfigurationPaths">
                   <list>
      <value>classpath:config/CustomUKClearingStatementFactory.xml</value>
      <value>config/OtherCustomUKClearingStatementFactory.xml</value>
                    </list>
             </property>
```

 bean id="customerAresourceLocations"
class="com.calypso.tk.bo.clearing.statement.ClearingStatementResourcesLocator" />
<property <="" name="statementTemplatePath" td=""></property>
value="/path/to/calypso/resources/com/calypso/templates/custom_statement.xsl" />
<property name="statementConfigurationPaths"></property>
list>
<pre><value>file:///path/to/calypso/resources/config/CustomerAClearingStatementFactory.xml<</value></pre>
/value>
END SAMPLES>

9.3 CVR_WORKSHEET Messages

This message type is used to generate the Collateral Valuation report.

It is not necessary to setup a message configuration, but it is necessary to define a message workflow for this type of message.

The CVR_WORKSHEET message workflow can be imported using "<calypso home>/client/resources/CVR_WORKSHEET.wf".

If you are clearing with LCH, you need to use the file "<calypso home>/client/resources/CVR_WORKSHEET_LCH.wf" instead. It adds the transition highlighted below for managing incoming collateralAllocation messages.

Orig Status	Action	Resulting Status	Subtype	Product Type	Processing Org
ACCEPTED	ACCEPT	ACCEPTED			
ACCEPTED	ACK	ACCEPTED			
ACKED	ACCEPT	REJECTED			
ACKED	REJECT	REJECTED			
EDITABLE	CANCEL	CANCELED	CVR_WORKSHEET	ALL	ALL
EDITABLE	EXPORT	EXPORTED	CVR_WORKSHEET	ALL	ALL
EDITABLE	UPDATE	EDITABLE	CVR_WORKSHEET	ALL	ALL
EXPORTED	AUTHORIZE	TO_BE_SENT	CVR_WORKSHEET Rule: PrepareCVRForSend Filter: isLCHCVRValidToSend	ALL	ALL
NONE	NEW	EDITABLE	CVR_WORKSHEET	ALL	ALL
REJECTED	ACK	REJECTED	CVR_WORKSHEET	ALL	ALL
REJECTED	REJECT	REJECTED	CVR_WORKSHEET	ALL	ALL
SENT	ACCEPT	ACCEPTED	CVR_WORKSHEET	ALL	ALL
SENT	ACK	ACKED	CVR_WORKSHEET	ALL	ALL
SENT	REJECT	REJECTED	CVR_WORKSHEET	ALL	ALL
TO_BE_SENT	SEND	SENT	CVR_WORKSHEET	ALL	ALL

Static data filter "isLCHCVRValidToSend"

Static Data Filter Window [140020SP2/LAPTOP_REL14/calypso_user]								
Name: isLCHCVRValidToSend	Attributes	;	Simulate					
Comment:			Pending Modif					
Groups: ANY								
Groups: ANY Attribute	Criteria		Filter Value(s)					
Groups: ANY Attribute MSG_ATTRIBUTE.CVRWorksheetAdviceDocumentID	Criteria	(Range)	Filter Value(s)					

It is also necessary to define a message sender configuration in order to send the report to LCH through MQ Series.

🔀 Message Sender	Config		-		X
Sender Config Cop	y Config				
Message Status	TO_BE_SENT	•	Product Type	ALL	 •
Advice Type	CVR_WORKSHEET	•	Address Type	LCH	 •
Static Data Filter			Gateway	MQ	 •
Save 📄					
🔽 Send	📝 Sender By Method	V Sende	r By Gateway		
LCHGatewayMQE	ocumentSender class will be	called			
Save	Remove	New			

Once a CVR report is exported, from the CVR report or using the scheduled task CLEARING_EXPORT_CVR_WORSHEET, it is sent to LCH using the MQ connector LCHCVR.

MQ Series is configured using the following files:

- "<calypso home>/client/resources/LCHCVRbridge_config.properties.sample" (mandatory to send the outgoing CVR messages to LCH)
- "<calypso home>/client/resources/LCHCVRbridgeservice.properties.sample" (optional, used to receive response messages)

LCHCVRbridge_config.properties

Rename "LCHCVRbridge_config.properties.sample" to "LCHCVRbridge_config.properties", and modify as needed.

```
#
  JMS properties file
#
#
  REFER TO EXCHANGE FEED DOCUMENTATION FOR MORE INFO
#
  JMSQueueIEAdaptor properties
#
    Note: if queue.ackType is not set to auto then
           failed messages are not acknowledged to JMS and
#
           will be reconsumed when the engine restarts
#
#
      Queue-specific properties are prefixed by the queue name
#
input.queue.name=JQUEUE.LCH.CALYPSO
JQUEUE.LCH.CALYPSO.queue.ackType=auto
JQUEUE.LCH.CALYPSO.queue.persist=false
JQUEUE.LCH.CALYPSO.queue.transacted=false
output.queue.name=JQUEUE.CALYPSO.LCH
JQUEUE.CALYPSO.LCH.queue.ackType=auto
JQUEUE.CALYPSO.LCH.queue.persist=false
JQUEUE.CALYPSO.LCH.queue.transacted=false
jms.queue.hostname=localhost
jms.queue.port=1414
jms.queue.connectionUserName=
jms.queue.connectionPassword=
jms.queue.transportType=MQJMS TP CLIENT MQ TCPIP
```

LCHCVRbridgeservice.properties

jms.queue.queueManager=QM.LCH.CALYPSO jms.queue.channel=SYSTEM.ADMIN.SVRCONN

Rename "LCHCVRbridgeservice.properties.sample" to "LCHCVRbridgeservice.properties", and modify as needed.

bridge.counterparty.attribute.identifier=LCH CPTY

```
REQUESTCONSENT_SWAP_BRIDGE_XSLT=LCH_REQUESTCONSENT_SWAP.xslt
CLEARINGCONFIRMED_SWAP_BRIDGE_XSLT=LCH_CLEARINGCONFIRMED_SWAP.xslt
SWAP_TRANSFORMER_CLASS=com.calypso.tk.bo.bridge.transformer.LCHSWAPMappingTransformer
KEYWORDS_REQUESTCONSENT_SWAP_XSLT=KEYWORDS_LCH_REQUESTCONSENT_SWAP.xslt
KEYWORDS_CLEARINGCONFIRMED_SWAP_XSLT=KEYWORDS_LCH_CLEARINGCONFIRMED_SWAP.xslt
```

```
REQUESTCONSENT_FRA_BRIDGE_XSLT=LCH_REQUESTCONSENT_FRA.xslt
CLEARINGCONFIRMED_FRA_BRIDGE_XSLT=LCH_CLEARINGCONFIRMED_FRA.xslt
FRA_TRANSFORMER_CLASS=com.calypso.tk.bo.bridge.transformer.LCHFRAMappingTransformer
KEYWORDS_REQUESTCONSENT_FRA_XSLT=KEYWORDS_LCH_REQUESTCONSENT_FRA.xslt
KEYWORDS_CLEARINGCONFIRMED_FRA_XSLT=KEYWORDS_LCH_CLEARINGCONFIRMED_FRA.xslt
```

```
RULE HANDLER=com.calypso.tk.bo.bridge.handler.LCHCVRRuleHandler
# BRIDGE BO Messages default sender and receiver.
BridgeMessageDefaultSender=LCH
BridgeMessageDefaultReceiver=CALYPSO
ThreadPoolSize=5
# Look for file changes every xx-seconds.
interval=10
****
# Message validator list
# A list of xslt files located in
# /resources/calypso/mapping/
# for incoming message validation by
# message structure
****
ValidatorFiles=exchange feed clearing confirmed check fpml5.3.xslt,exchange feed clear
ing status check fpml5.3.xslt, exchange feed request consent check fpml5.3.xslt, exchange
e_feed_consent_acknowledgement_check_fpml5.3.xslt,exchange_feed_clearing_refused_check
fpml5.3.xslt,exchange_feed_service_notification_check_fpml5.3.xslt,exchange_feed_posi
tion_report_check_fpml5.3.xslt,exchange_feed_lch_data_document_check_fpml5.3.xslt,exch
ange feed message rejected check fpml5.3.xslt
```

The clearing member is identified in the output file using the FCM BIC (external name of the house clearing account).

9.4 BRIDGE_ACK Messages

BRIDGE_ACK messages are sent to acknowledge that collateralAllocation BRIDGEMSG messages have been received.

9.4.1 Message Setup

You need to add "LCHCVRResponseAck.html" to the domain "XML.Templates" if it is not available for selection.



Edit Browse								
					_			
Product Type	ALL		•	Language	English ((United State	es)	•
Event Type	EX_BRIDGE_	ACK	•	Address Type	LCHCVR		-	
Message Type	BRIDGE_ACK		•	Gateway	MQ			-
Processing Org	ALL		•	Format Type	XML			•
PO Contact Type	Default		•	Template	LCHCVR	ResponseAc	k	
Receiver				SD Filter	islCHCV	RMessage		
Receiver Role	CounterParty	•	-		📃 Match	ning		
Rec Contact Type	Default		•		📃 Do no	ot Send Mess	sage	
Grouping		•			📃 Inact	ive		
Config Id	67222	Del	ete	Save		Save As Ne	W	
Id Product Ev	ent	Message Type	ProcessingOr	g PO Contac	t Type	Receiver	Receiver	Role
67222 ALL EX_	BRIDGE_ACK	BRIDGE_ACK	ALL	Default		ALL	CounterP	arty

9.4.2 Message Sender Config

🔀 Message Sender	Config	100			
Sender Config Cop	y Config				
Message Status	TO_BE_SENT	-	Product Type	ALL	•
Advice Type	BRIDGE_ACK	-	Address Type	LCHCVR	•
Static Data Filter	isLCHCVRMessage		Gateway	мо	•
📝 Save	Master and Copies Advice	Documents will be	saved in DB		
🔽 Send	V Sender By Method	🔽 Sender B	By Gateway		
LCHCVRGateway	MQDocumentSender class will	be called			
Save	Remove	New			

9.4.3 Message Workflow

The BRIDGE_ACK message workflow can be created using the file "<calypso home>/client/resources/workflow/bridge_ack.wf".

Orig Status	Action	Resulting Status	Subtype	Product Type	Processing Org
NONE	NEW	PENDING	BRIDGE_ACK	ALL	ALL
PENDING	AUTHORIZE	TO_BE_SENT	BRIDGE_ACK	ALL	ALL
SENT	SEND	SENT	BRIDGE_ACK	ALL	ALL
TO_BE_SENT	SEND	SENT	BRIDGE_ACK	ALL	ALL

9.5 CVR_LE_DATA Messages

This message type is used to generate the report LSOC CVR Static Data.

9.5.1 Message Setup

Edit Browse				
Product Type	MarginCall	*	Language	English 🗾
Event Type	VERIFIED_TRADE	*	Address Type	ITD_STATEMENT_FILE
Message Type	CVR_LE_DATA	~	Gateway	FILE 🗾
Processing Org	ALL	*	Format Type	XML 🗾
PO Contact Type	Default	*	Template	ClearingITDStatement.xml
Receiver	ALL		SD Filter	isITDMarginCallTradeType
Receiver Role	ExtCounterParty	*		Matching
Rec Contact Type	Default	*		Do not Send Message
Grouping		▼		Inactive
Config Id	286200	Delete	Save	Save As New

9.5.2 Message Workflow

Orig Status	Action	Resulting Status	Subtype	Product Type	Processing Org
NONE	NEW	PENDING	CVR_LE_DATA	ALL	ALL
PENDING	TO_SEND	TO_BE_SENT	CVR_LE_DATA	ALL	ALL
TO_BE_SENT	SEND	SENT	CVR_LE_DATA	ALL	ALL
TO_BE_SENT	CANCEL	CANCELED	CVR_LE_DATA	ALL	ALL
SENT	CANCEL	CANCELED	CVR_LE_DATA	ALL	ALL
SENT	RESEND	SENT	CVR_LE_DATA	ALL	ALL

9.6 CFTC_REPORTING Messages

This message type is used to generate the reports Liquidating Deficit and Aged Margin Calls.

It is not necessary to setup a message configuration, but it is necessary to define a message workflow for this type of message.

Orig Status	Action	Resulting Status	Subtype	Product Type	Processing Org
NONE	NEW	CREATED	CFTC_REPORTING	ALL	ALL
CREATED	CANCEL	CANCELED	CFTC_REPORTING	ALL	ALL

Section 10. Scheduled Tasks Setup

The following scheduled tasks need to be configured for each CCP.

They download the CCP files using the following property file:

"<calypso home>/client/resources/config/clearingconnection.properties"

See <u>Clearing Member Setup</u> for details.

Once the files are retrieved from the CCP, they are stored in the folder specified in the property file "<calypso home>/client/resources/config/clearing.properties" if it exists.

Otherwise, they are stored by default under "<user home>\Calypso\clearing" on the server where the Scheduler engine is running, and for the user running the Scheduler engine.

From the Calypso Navigator, navigate to Configuration > Scheduled Tasks (menu action scheduling.ScheduledTaskListWindow) to configure the scheduled tasks. Choose this menu item to bring up the Scheduled Task Definitions & Scheduling window.

10.1 Flow Types and Fees

The scheduled tasks create Clearing Transfer trades to reflect the clearing activity. Clearing Transfer trades are of type CASH_SETTLEMENT.

CASH_SETTLEMENT Clearing Transfer trades represent the cashflow amounts that impact the cash accounts. They are used for payment purposes and these amounts have a direct impact on the Cash Account balances posted to the client statements.

They are associated with the following fees:

- CS_PAI Price Alignment Interest. Interest paid on Mark-to-Market amounts. Taken from the CCP file.
- CS_COUPON Interest associated with the swap trades (CME). Taken from the CCP file.
- CS_INTERESTS Interest associated with the swap trades (LCH). Taken from the CCP file.
- CS_FRA_PAYMENT Settlement associated with the FRA trades. Taken from the CCP file.
- CS_CASH_DELIVERY Cash associated with the FX NDF trades. Taken from the CCP file.
- CS_VARIATION Variation margin taken from the CCP file (EOD or intraday for LCH GBP FRAs)
- CS_FEES CME only Fees associated with the trades. Taken from the CCP file.
- CS_CONSIDERATN LCH only Fees associated with the swap trades. Taken from the CCP file.
- CS_NPV_ADJUSTED Adjusted NPV. Taken from the CCP file.
- CS_NPV_REV Reversal of CS_NPV_ADJUSTED, the day after.

We recommend that CASH_SETTLEMENT trades be settled automatically on their value date since the CCP takes/pays the money from/to the clearing member's nostro account, and this must be reflected on the client's cash accounts. To do so, you just need to add the rule CheckToBeSettled in the transfer workflow on the transition VERIFIED – AUTO_SETTLE – SETTLED.

One Transfer for Each Fee

In order to generate proper information for the client statement, the system must generate one transfer for each fee of the trade.

Note that in this case, the fee definitions MUST have the Transfer option checked, except for fee CS_VARIATION.

Example for CS_PAI:

Fee Definition (User: calypso_user)							
Type :	CS_PAI						
Role :	CounterParty						
Fee Offset :	0 Cal						
Products :	ALL						
Default Calculator :	NONE						
Include :	Pricing Accounting Allocation						
	🔽 Transfer 🔲 Settlement Amount						

All of these fees are created by the system upon installation.

10.2 Settlement Lag

(1) For all flow types, the Settle Date is set based on the Settle Date of the Flow tag if one is provided. If a Settle Date is not provided, this date is calculated by adding the number of business days defined in the Currency Settlement Lag of the flow's settlement currency according to that currency's holiday calendar.

(2) If the CCP legal entity attribute "UseAlternateSettleDateMethod" is false or null the system follows the logic defined in (1). If set to true, the following logic applies:

T+2 currencies

- SETTLE DATE=Trade Date + 2 days (excluding weekends)
- If SETTLE DATE falls under currency Holiday, then it is set to the next business day for that currency.

T+1 currencies

- SETTLE DATE=Trade Date + 1 day (excluding weekends)
- If SETTLE DATE falls under currency Holiday, then it is set to the next business day for that currency.

"UseAlternateSettleDateMethod" should be set to true for LCH and false for CME.

Settlement Date = Trade Date + Settlement Lag

The Settlement Lag of all Clearing Transfers is driven by the currency of the transfer in the following manner:

- If a settlement lag is specified in the currency attribute "<CCP name>ClearingTransferSettleLag", it is used in priority.
- Otherwise, we use the settlement lag specified in the currency attribute "ClearingTransferSettleLag" if any.
- Otherwise, the settlement lag is 1 business day.

[NOTE: If you only set ClearingTransferSettleLag, it will apply to all CCPs]

Sample setup (remember that attribute names are case-sensitive):

Currency Default Attributes Window EUR						
Nama	Value –					
ClearingEligible						
LCHClearingTransferSettleLag	3					
ClearingTransferSettleLag	v 2					

In this example, the settlement date for CME clearing transfer trades would be Trade Date + 2, and the settlement date for LCH Clearing Transfer trades would be Trade Date + 3.

This sample setup is not realistic – It is only used to illustrate the configuration capability.

10.3 Available Date

The Inventory positions MUST be based on the Available Date.

As a result, you need to define how the Available Date is set for the various trades involved in the clearing activity.

By default, the Available Date is set to the Trade Date. This behavior can be customized using the domain "XferAvailableDate" to determine the Available Date based on the Settlement Date +/- a number of days for a given static data filter. You need to setup the following:

- Value = "-1.AVDATEFORSIMPLEXFER" where "AVDATEFORSIMPLEXFER" is a static data filter that filters simple transfers in AUD and JPY The available date will be set to the settlement date -1 day.
- Value = "-1.EOD CT" where "EOD CT" is a static data filter that filters non GBP FRAs clearing transfers in currencies different from AUD and JPY The available date will be set to the settlement date -1 day.
- Value = "-2.TPLUS2CCY" where "TPLUS2CCY" is a static data filter that filters clearing transfer trades in AUD and JPY The available date will be set to the settlement date -2 days.



Static Data Filters

🗾 Static Data Filter Wi	2/CLEAF	RING	_25/]	(Use	r: calypso_	us			
Name: AVDATEFORSIMPLEXFER			Attributes		Simulate				
Comment:							Pendin	ig Mo	difs
Groups: ANY									
Attribute	Criter	'ia 🛛				Filter V	/alue(s)	Γ	
Product Type	⊤ IN		Add		SimpleTransfer		fer		
Trade Currency	⊤ IN		Add		AUD, JPY				
Name: EOD CT	Static Data Filter Window [1300075P				_ 25/] tes	(User	: calypso_ Simul	us late.	_ _
Comment:							Pendin	g Mo	difs
Groups: ANY									
Attribute		Cri	teria			Fi	lter Value(s)		
KEYWORD.RelatedProduct	Туре	▼ NOT_	IN	A	dd	GBP_F	RA		
Product Type		▼ IN		A	dd	Clearir	ngTransfer		
Trade Currency		VOT_	IN	A	dd	AUD, J	PY		

🗾 Static Data Filter Window [1300075P2/CLEARING_25/] (User: calypso_us 💶 🗖									
Name: TPLUS2CCY		At	tributes	Simulate	·				
Comment:			Pending M	odifs					
Groups: ANY									
Attribute	Criteria		Filter V	alue(s)					
IN Static Data Filter	- IN	Add	Clearing TRansfe	er Trade					
Trade Currency	⊤ IN	Add	AUD, JPY						

10.4 CDML Files Processing

The CDML files processing is a two-step process.

You first need to store the files into the system using the scheduled task CLEARING_TRANSLATE_TO_CDML. Then you can process the files using the scheduled task CLEARING_PROCESS_FROM_CDML.

The scheduled tasks CLEARING_TRANSLATE_TO_CDML and CLEARING_PROCESS_FROM_CDML use the timezone defined in the scheduled task.

10.4.1 Supported Files

ССР	Trade Valuation	Initial Margin
СМЕ	IRSTR	IRSMR3
LCH	91xce(client) 91xe(house) REP00002c (client) REP00002 (house) REP000105c (client) REP105 (house) REP00084c (client) 305 / 305c	REP00086c (client) REP00086 (house) REP00050g (client)
LCHPORTFOLIO	16c(client) 16b(house)	
LCH FX	FREP0009 (CLIENT) FRP0009 (HOUSE)	FREP0026c (client) FREP0014 (house)
НКЕХ	WEB Settle Details IRS_C (Client) WEB Settle Details IRS (House) WEB Money Settle_C (client) WEB Money Settle (House)	Web IM Call Amt (Client and House)
ICE	MARK TO MARKET MARGIN DETAIL report (NPV). MARK TO MARKET MARGIN INTEREST DETAIL report (PAI). TRADE PAYMENT DETAIL report (Upfront fees, Coupons, Credit Events).	Client gross Margin
EUREX	RPTCB202 RPTCC203 RPTCD200 RPTCI280	RPTCC204
COMDER	FXNDF_Trades_Cleared FXNDF_Maturing_Today	EOD_IM_Report

LCHPORTFOLIO CDML producer is added to process Trade Valuation using position based files. The reason for adding this is to allow FCM to keep up with client statement generation and EOD processing SLAs, We also have LCH CDML producer which considers trade level information such as 91xce, 2c and 105c however LCH generates these files very late which delays EOD processing. LCHPORTFOLIO considers 16c and 16b files for VM flows calculation and these are available at position level. To make sure LCH v/s LCHPORTFOLIO producers are used we have introduced new CLEARING_TRANSLATE_TO_CDML ST attribute call Ignore Producers which accept comma separated values. User can either Ignore LCH or LCHPORTFOLIO based on requirement. Also we have introduced new attributes in CLEARING_PROCESS_FROM_CDML ST called CCP, Clearing Service and Process Mode. This helps user to process CDML for particular combination of PO (ST Common Attribute), CCP, Clearing Service for generation of CT, PL marks and Initial Margin exposure.

User can pick and choose needed combination for generation of IM and VM by PO, CCP, Clearing Service. This provides flexibility and helps FCM to manage their internal EOD processing related SLAs.

10.4.2 CLEARING_TRANSLATE_TO_CDML

The scheduled task scans the subfolders (that represent the CCPs) and tries to find pre-defined sets of CCPs EOD reports needed to generate the CDML reports.

The scheduled task can be run multiple times. If it finds new information (e.g. EOD reports for another CCP), it will add this CCP data to the existing CDML report and will create a new version of the report.

This process can run in two modes:

 "Generation plus Import" - The system takes the raw CCP files and translates them into CDML files. The raw CCP files must be stored in subfolders (of the Base Folder) by CCP short name. The file producers must be defined in the domain "Clearing.CDML.producerNames".



Each producer requires its own set of EOD files to be able to generate CDML reports.

"Import Only" – To import CDML files already translated into the system.

Task Type CLEAR		CLEARI	NG_TRANSLATE_TO_CDML	
	External Reference	IMPORT		
	Comments			
	Description			
Attempts 1		1		
Retry After, In Minutes		0		
JVM Settings		-Xms512m -Xmx1024m -XX:MaxPermSize=256m		
Allow Task To		🔲 Skip	Execute 🔲 Send Emails 🔲 Publish Business	
+	Common Attributes	5		
Task Attributes				
Base Folder			\${user.home}/Calypso/clearing/CDML	
CDML Processing			Import Only	
Intraday			false	

The timezone in the Common Attributes is mandatory.

- » Base Folder - Enter the location of the files.
 - For the mode "Generation plus Import", the raw CCP files need to be organized in subfolders by CCP short name.
 - For the mode "Import" only, the folder contains the CDML files to be imported into the system.
- >> CDML Processing Select the type of CDML processing "Import Only" or "Generation plus Import".
- **>>** Intraday - False by default. Set to "true" to execute an intraday producer {CCP}ITD, for example LCHITD - Only applies to mode "Generation plus Import". For information on using Intraday = true, see Intraday CDML Process.
- >> Ignore Producers: List of producers to be ignored Only applies to mode "Generation plus Import".

The scheduled task produces two types of XML reports:

- tradeValuationReport •
- initialMarginRreport •

CLEARING_PROCESS_FROM_CDML 10.4.3

The scheduled task CLEARING_PROCESS_FROM_CDML consumes the imported tradeValuationReport and initialMarginRreport CDML reports.

It creates CASH_SETTLEMENT Clearing Transfer trades, Collateral Exposure trades, and PL Marks.

-	Task Attributes
	CCP
	Clearing Service
	CDML Report Type
	Process Mode

The timezone in the Common Attributes is mandatory.

Attributes

- » CCP: Select one or more CCPs.
- » Clearing Service: Select one or more clearing services.
- >> CDML Report Type: Select All, initialMarginReport, or tradeValuationReport.

» Process Mode:

- If you have selected the report type "tradeValuationReport", you can select All, Clearing Transfers, or Cleared Trade Marks, to create Clearing Transfer trades only, PL Marks only, or both (All).
- If you have selected the report type "initialMarginReport", you can select Collateral Exposures to create Collateral Exposure trades.

10.4.4 CLEARING_INTRADAY_MARGIN_REV

This scheduled task creates "return" trades for the intraday margin call trades of type ITD_COLLATERAL created by the scheduled task CLEARING_INTRADAY_MARGIN when you use CDML to create the EOD Initial Margin trades.

It creates "return" trades of type ITD_COLLATERAL, of opposite direction of the original trades, and with the trade keyword ITDMarginCallReturn=true. There is one return trade for each counterparty and currency.

-	Task Attributes	
	Ledger Type	COV
	CCP	LCH
	Product	IRD
	Mode	Both

Attributes

- >> Ledger Type Select COV, NON-COV, or ALL.
- >> CCP Select LCH.
- >> Product Select the product IRD.
- » Mode Client, House, or Both.

This only applies to LCH – Select Client to import client files only, House to import house files only, or Both to import both.

10.5 COLLATERAL_MANAGEMENT

It computes the exposure on the initial margin and variation margin, and generates cash margin calls. It requires that you save a Collateral Manager report template to retrieve selection criteria.

From the Calypso Navigator, navigate to **Processing > Collateral Management > Collateral Manager** (menu action reporting.margincall.MarginCallDesktop) to define a Collateral Manager report template.

For IM contracts, the scheduled task loads the corresponding Collateral Exposure trades.

For VM contracts, the scheduled task loads the cash accounts associated with the margin call contracts. The exposure is the inventory THEORETICAL Margin_Call position that has been updated by the CASH_SETTLEMENT Clearing Transfer trades.

Task Type	COLLATERAL_MANAGEMENT		
External Reference	0.17 Collateral Mgmt Calypso US (Run T+1)		
Comments	2.2.0 Testing Setup Refresh		
Description	2.2.0 Testing Setup Refresh		
Attempts	1		
Retry After, In Minutes	0		
JVM Settings			
Allow Task To	📕 Skip Execute 🔲 Send Emails 🔲 Publish Business		
E Common Attribute	5		
Task Attributes			
Template	CALYPUS		
Collateral Context			
Price method			
Optimization			
Workflow Action			

Attributes

- Select a Collateral Manager template to define the selection criteria.
 You can create a Collateral Manager template in the Collateral Manager using File > Save Template.
- » Select a collateral context as needed.
- » The other attributes may remain empty.

Delease refer to Calypso Collateral Management documentation for complete details on this scheduled task.

10.6 CLEARING_SOD_MARGINCALL

This scheduled task can be executed at the start of day to manage the SOD pass-through function. It allows comparing the client Margin Call Positions with the CCP cash balances provided by report REP00030, and generating Margin Call Trades facing the CCP in the respective IM Margin Call Contract.

The domain "Clearing.SOD.IgnoreAccount" can be used to filter out the accounts to be ignored by this process.

The margin call attribute CCP_SEGREGATION_ACCOUNT must be set to the "Account" field of report REP00030.

Task Description						
Task Type:	CLEARING_SOD_MARGINCALL					
External Reference:	Clearing SOD Margin Call					
Comments:						
Description:	Clearing SOD Margin Call					
Execution Parameters						
Attempts: 1	Retry After: 0 minutes					
JVM Settings: -Xms5	i12m -Xmx1024m -XX:MaxPermSize=256m					
Log Settings:						
Task Notification Options						
Send Emails	🔲 Send Emails 🛛 🔲 Publish Business Events 🛛 To User: 🗍					
E Common Attribute	25					
🗆 Task Attributes						
CCP	LCH					
Product	IRD					
Skip download	Never					
Position Type	ACTUAL					
Collateral Context	default					

Attributes

- >> CCP Select LCH.
- >> Product Select IRD.
- >> Skip download Select Always, If already downloaded, or Never.

You can skip the download of the CCP files if the files have already been downloaded, or if you download them using another process.

- >> Position Type Select ACTUAL or THEORETICAL.
- >> Collateral Context Select a collateral context as needed.

The margin call trades are created with Keyword.CCPSettlementType="SOD". The counterparty role is set to the OrdererRole if set on the margin call contracts, or CounterParty otherwise.

The domain "Clearing.SOD.IgnoreXferStatusOnRerun" can be used to store transfer status codes to prevent "SOD" trades modifications. The scheduled task will not modify existing "SOD" trades if their transfers are in these statuses codes.

10.7 CLEARING_INTRADAY_MARGIN

This scheduled task can be executed at any time during the day to generate intraday margin calls for LCH. You may set it up to run every half hour for example.

You need to configure the scheduled task for LCH, and for IRD products.

Task Attributes	
Ledger Type	COV
CCP	LCH
Product	IRD
Mode	Both

Attributes

- >> Ledger Type Select COV, NON-COV, or ALL.
- >> CCP Select LCH.
- >> Product Select IRD.
- >> Select the mode: Client, House, or Both.

This only applies to LCH – Select Client to import client files only, House to import house files only, or Both to import both.

This scheduled task downloads the "Report 33a" from LCH and generates margin call trades of type ITD_COLLATERAL for each PPS Call entry that is after the time specified in the domain "Clearing.LCH.ExcludeBankingCallTime" with the 24 hour format "hh:mm". For example 09:30 is 09:30 am. Any entries before that time will be excluded.

The margin call trades are associated with the IM contracts (client for "C" PPS Call entries, or house for "H" PPS Call entries) of the clearing member facing the CCP, and can be viewed in the Collateral Manager as "previous margin", so that they will not be called again during the EOD process.

The following keywords are populated on the ITD_COLLATERAL trades:

- CCPAccountReference = CCP_REFERENCE from additional info of IM MCC which can be "C" or "H" or position account id for ISA
- IS_CLIENT=False (since it is CCP facing trade)
- RelatedProductType=IRD (PRODUCT_TYPE from additional info of IM MCC)
- CCPSettlementType=ITD
- CCPLedgerType = COV for cash cover IM, or NON-COV for non-cash cover (interest and fees)

10.8 Intraday Settlement

GBP FRAs are supported with or without intraday processing (same day settlement). The following options are provided:

- **Option 1** To import GBP FRAs intraday (gross settlements), you need to use the scheduled task CLEARING_INTRADAY_SETTLEMENT as described below (only to LCH).
- Option 2 To import GBP FRAs intraday (gross settlements or net settlements), you need to use the Intraday CDML process as described below (only applies to LCH).
- Option 3 Otherwise, if you want to import GBP FRAs with settlement at T+1 (like other FRA trades), use the standard CDML process.

See <u>CDML Files Processing</u> for details on Option 3.

10.8.1 Intraday Setup Requirements

This applies to Option 1 and Option 2.

Domain "ProcessGBPFRAIntraday"

You need to add the value True to the domain "ProcessGBPFRAIntraday" to import GBP FRAs intraday. It is not set by default (no intraday processing).

Ľ	🔀 Domain Values Window (User: calypso_user)				
	Search:	ProcessGBPFRAIntraday	Find		
	------------	rocessGBPFRAIntraday			

Domain "XferAvailableDate"

The Available Date is populated differently for GBP FRA trades and the other trades in order to allow trades that settle on different days to be included in the Client Statement.

You need to setup the following for GBP FRA trades:

Value = "0.GBP FRA Intraday CT" where "GBP FRA Intraday CT" is a static data filter that filters GBP FRAs

 The available date will be set to the settlement date.

🖃 💷 XferAvailableDate					
		0.GBP FRA Intraday CT			
		-2.TPLUS2CCY			
		-1.EOD CT			
	- L 峰	-1.AVDATEFORSIMPLEXFER			

Static Data Filter

💋 Static Data Filter Window [1300075P2/CLEARING_25/] (User: calypso_us 💶 🗖						
Name: GBP FRA Intraday CT			Attributes		Simulate.	
Comment: Pending Modif:					odifs	
Groups: ANY						
Attribute	Crite	eria		Filt	er Value(s)	
KEYWORD.RelatedProductType	⊤ IN		Add	GBP_FR	A	
Product Type	⊤ IN		Add	Clearing)Transfer	

10.8.2 Scheduled Task CLEARING_INTRADAY_SETTLEMENT

This applies to Option 1.

Clearing Member Setup

You need to set the legal entity attribute SKIP_ITD_FLOW = true on the Clearing Member Processing Org. In this case, the system will not process NPVAdjustment in reports 91 and 16. It is false by default.

Scheduled Task Setup

To import GBP FRAs intraday, you need to configure a scheduled task CLEARING_INTRADAY_SETTLEMENT.

This scheduled task creates CASH_SETTLEMENT clearing transfer trades with CS_FRA_PAYMENT and CS_VARIATON_MARGIN fees.

Task Type	CLEARING_INTRADAY_SETTLEMENT		
External Reference	GBPFRA		
Description	Clearing Intraday Settlement for GBP FRA		
Attempts	1		
Retry After, In Minutes	0		
Memory Settings	Min Memory 512 m Max Memory 1024 m		
Allow Task To	🔽 Send Emails 🔲 Publish Business Events 🛛 To user		
• Common Attributes	5		
🗆 Task Attributes 👘			
CCP	LCH		
Product	IRD		
Mode	Both		
Skip download	If already downloaded		

Attributes

- >> Select the CCP: LCH (only LCH is currently supported)
- >> Select the product: IRD.
- Select the mode: Client, House, or Both.
 This only applies to LCH Select Client to import client files only, House to import house files only, or Both to import both.
- >> Select to skip file download: Always, If already downloaded, or Never.

You can skip the download of the CCP files if the files have already been downloaded, or if you download them using another process.

This scheduled task processes the files 104 and 104c:

- CS_FRA_PAYMENT fee = "FRASettlementAmount" column
- CS_VARIATION fee = "PreviousTradeLevelNPV" column

The trade keyword RelatedProductType is set to GBP_FRA.

For intraday GBP FRAs, all the fees attached to the CASH_SETTLEMENT clearing transfer trades have Fee Date = Fee Start Date = Fee End Date = Fee Known Date = Trade Settle Date.

10.8.3 Intraday CDML Process

This applies to Option 2.

Margin Call Contract Setup

To settle all the flows intraday, you have to define a dedicated Margin Call VM contract identified with attribute SETTLEMENT_TYPE = ITD.

The logic is the following:

- If set to ITD, the contract will only be applicable to process intra-day clearing transfers flows
- If not set, the contract will be applicable for both, ITD and EOD clearing transfers flows

CCP facing MCC

LCH will always consider the NET settlement. The contract will be similar to a regular VM contract with following exceptions:

Where	Field	Value	
MCC Additional Info tab	SETTLEMENT_TYPE	ITD	
MCC Additional Info tab	INCLUDED_VM_FLOWS	Not set.	
MCC Details tab	Position Date	POSITION_DATE_LAST_KNOWN	
MCC Dates & Times tab	Valuation Time Offset	Daily Valuation date rule	

Client facing MCC

Net Settlement Setup

Where	Field	Value
MCC Additional Info tab	SETTLEMENT_TYPE	ITD
MCC Additional Info tab	INCLUDED_VM_FLOWS	Not set.
MCC Details tab	Position Date	POSITION_DATE_LAST_KNOWN
MCC Dates & Times tab	Valuation Time Offset	Daily Valuation date rule

Gross Settlement Setup

Where	Field	Value
MCC Additional Info tab	SETTLEMENT_TYPE	ITD
MCC Additional Info tab	INCLUDED_VM_FLOWS	CS_COUPON, CS_FRA_PAYMENT
MCC Details tab	Position Date	POSITION_DATE_LAST_KNOWN
MCC Dates & Times tab	Valuation Time Offset	Daily Valuation date rule

Example of CCP / client MCC settling all the flows (NET) coming from report 305 intra-day:

INCLUDED_VM_FLOWS		1
INTEREST_DATERULEONLY		
LAST_NOTIFICATION_DATE		
LAST_NOTIFICATION_ID		
LOCATION	PORTFOLIO A	
MARGIN_TYPE	VM	
MCC_CASH_LOCATION		
MCC_SEC_LOCATION		
NOTIFY_ON_CLAIM	true	
PRIORITY	1	
PRODUCT_TYPE	IRD	
REINVEST_COUPON		
SEND_STATEMENT	true	
SEPARATE_VM_SETTLEMENT		
SETTLEMENT_CUT_OFF	0	
SETTLEMENT_STRATEGY		
SETTLEMENT_TYPE	ITD	
SET_DEFAULT_BOOK	true	

Example of client MCC settling only coupons and FRA payments intraday and NPV reversal at the end of day (GROSS):

CS_COUPON, CS_FRA_PAYMENT
PORTFOLIO A
VM
true
1
IRD
true
0
ITD
true

Scheduled Tasks Setup

CLEARING_TRANSLATE_TO_CDML scheduled task needs to be set to import the new report 305/ 305c with Intraday = true.

Task Attributes	
Base Folder	C:\calypso\gateway\EODFiles
CDML Processing	Generation plus Import
Intraday	true
Ignore Producers	

CLEARING_PROCESS_FROM_CDML should be chained to CLEARING_TRANSLATE_FROM_CDML and run intraday to generate intra-day Clearing Transfer Trades

1	Attributes	
	CCP	LCH
1	Clearing Service	IRD
1	CDML Report Type	All
1	Process Mode	All
I		

To avoid double accounting, the system will back out the previous day's NPV of EOD trade valuation reports 91 and 16 for the trades that have settled Intra-Day.
10.9 CLEARING_HOLIDAY_PROCESSING

The scheduled task CLEARING_HOLIDAY_PROCESSING allows generating Clearing Transfer trades, Collateral Exposure trades and PL Marks, on an ad-hoc basis, when the CCP does not provide EOD files because of a CCP holiday.

It should be run on CCP holidays when the CCP does not provide the EOD files.

Task Type	CLEARING_HOLIDAY_PROCESSING		
External Reference	Holiday Processing		
Comments			
Description			
Attempts	1		
Retry After, In Minutes	0		
JVM Settings	-Xms512m -Xmx1024m -XX:MaxPermSize=256m		
Allow Task To	Skin Execute Send Emails Publish Business		
E Common Attributes			
Common Attributes Task Attributes	5		
Common Attributes Task Attributes CCP	CME		
Common Attributes Task Attributes CCP Product	CME IRD		
Common Attributes CCP Product Mode	CME IRD Client		

Attributes

- » Select the CCP.
- » Select the product.
- » Select the mode: Client, House, or Both.
- >> Select the type of processing: CLEARING TRANSFER, COLLATERAL EXPOSURE, or PL MARKS.

For CLEARING TRANSFER, the scheduled task creates Clearing Transfers trades for the given valuation date. It copies the NPV from the previous business day, and generates reversals accordingly.

For COLLATERAL EXPOSURE, the scheduled task creates Collateral Exposure trades for the given valuation date. It copies the following measure from the previous business day:

- MAINTENANCE_REQUIREMENT
- MARGIN_CALL
- INITIAL_MARGIN
- LIQUIDITY_MARGIN
- ADDITIONAL_MARGIN
- BASIS_RISK_MARGIN
- CREDIT_MULTIPLIER_MARGIN

For PL MARKS, the scheduled task copies PL MARKS for the given valuation date from the previous business day.

10.10CLEARING_IMPORT_MARKET_DATA

You can import the following quotes using the scheduled task CLEARING_IMPORT_MARKET_DATA.

10.10.1 LCH PAI Quotes

PAI quotes are imported from report LCH REP000016c.

For PAI Quotes, the Interface Value in the Calypso Mapping Window should simply be in the format "CCYPAI", for instance USDPAI, CADPAI, etc. We will associate a single PAI rate per currency.

Name:	LCH/Quotes	
Interface Value:	CADPAI	
Calypso Value:	MM.CAD.CORRA.0D.LCH	

CLEARING_IMPORT_MARKET_DATA import:

🗄 Eoi	mmon Attributes	
🖃 Tas	sk Attributes	
CC	p	LCH
Ma	rket Data Types	Quotes

Market Data Types = Quotes

10.10.1 LCH LDR Rates

The LDR rates are imported from report LCH REP00017.

For LDR Rates, the Interface Value should be in the format CCY~INDEX~OIS0D~LDR, for instance DKK~DENTNIN~OIS0D~LDR.

Name:	LCH/Quotes	
Interface Value:	CAD~CORRA~OISOD~LDR	
Calypso Value:	MM.CAD.CORRA.0D.LCHLDR	

CLEARING_IMPORT_MARKET_DATA import:

+	E Common Attributes		
Ξ1	🗆 Task Attributes		
(CCP	LCH	
ſ	Market Data Types	Quotes	

Market Data Types = Quotes

10.10.1 LCH CDR Rates

The CDR rates are imported from report LCH REP00017a.

For CDR Rates, the Interface Value should be in the format CCY~INDEX~OIS0D~CDR, for instance GBP~SONIA~OIS0D~CDR.

Obviously, the Calypso Quote names will depend on the Rate Index definition in each environment.

Name:	LCH/Quotes	
Interface Value:	USD~Fed Funds~OIS0D~CDR	
Calypso Value:	MM.USD.FEDFUNDS.0D.LCHCDR	

CLEARING_IMPORT_MARKET_DATA import:

🗄 Common Attributes	
Task Attributes	
CCP	LCH
Market Data Types	Quotes

Market Data Types = Quotes

10.10.2 LCH Bond Prices

The bond prices are imported from report LCH REP00034 based on the bonds' ISIN code. No data mapping is required.

[NOTE: The prices are imported into the quote set of the pricing environment defined in the scheduled task]

CLEARING_IMPORT_MARKET_DATA import:

+	Common Attributes	
-	Task Attributes	
	CCP	LCH
	Market Data Types	Collateral Quotes

Market Data Types = Collateral Quotes

10.10.3 CME FX NDF Rate Resets

The FX NDF rate resets are imported from report CME FXNDF.

The mapping between the FX Reset and the quote is done for CME/Quotes in the Calypso Mapping window as:

- Interface Value = FX.<ccy1>.<ccy2>.<CME FX reset>.<source>
- Calypso Value = FX.<ccy1>.<ccy2>.<Calypso FX Reset>.<source>

Example:



[NOTE: The quotes are imported into the quote set of the pricing environment defined in the scheduled task]

CLEARING_IMPORT_MARKET_DATA import:

🛨 Ec	ommon Attributes	
Task Attributes		
C	CP	CME
M	arket Data Types	FX Rate Resets

Market Data Types = FX Rate Resets

Please consider QUOTE_ALLOW_IN_FUTURE=false and QUOTE_MAX_DAY_FUTURE environment property so that the system will not populate values in the future. Also, make sure that you add the appropriate default source in FX Rate Definition window (SAEC for example).

10.10.4 LCH / Comder FX Spot Rates by Currency Pair

FX Spot quotes are imported from reports FXMD0001 (LCH) and SpotQuote (Comder).

Calypso Mapping window:

Name:	LCH/Quotes
Interface Value:	AUD/EUR
Calypso Value:	FX.EUR.AUD

CLEARING_IMPORT_MARKET_DATA import:

+	Common Attributes	
Ξ	Task Attributes	
	CCP	LCH
	Market Data Types	Quotes

Market Data Types = Quotes

10.10.5 LCH / Comder NDF Fixing Rates

NDF fixing rates are imported from reports FXMD0010 (LCH) and SpotQuote (Comder).

You need to define the FX Resets using Configuration > Foreign Exchange > FX Rate Definitions.

CLEARING_IMPORT_MARKET_DATA import:

+	Common Attributes		
	🗆 Task Attributes		
	CCP LCH		
	Market Data Types	Quotes NDF	

Market Data Types = Quotes NDF

10.11 CLEARING_STATEMENT

This scheduled task generates Statement events that are sent to the Message engine to generate the actual client statements based on the message configuration for the message type "CLEARING_STATEMENT". It can be run for all the CCPs that the clients use for clearing. It generates one statement per client.

🛃 Scheduled Task De	Scheduled Task Definition							
Scheduled Task Definition								
Use the dialog below to define the attributes for the task to be executed. These attributes will There are two types of attributes, general attributes which are the same across all tasks and ta the task is performed using the Task Trigger Definition dialog								
Task Description								
Task Type:	CLEARING_STAT	TEMENT						
External Reference:	DAILY CUS01							
Comments:	DAILY CUS01							
Description:	DAILY CUS01							
Execution Parameters								
Attempts: 1	Retry Aft	er: 0 minutes Expected Execution Time (SLA):						
JVM Settings:								
Log Settings:								
Task Notification Options								
Send Emails	Publish Busines	s Events To User:						
E Common Attribute	25							
🗆 Task Attributes								
CCPs		CME, LCH						
Static Data Filter								
Client		CUS01						
Layout Style		Default						
Mode		Daily						
New Trades for IRS		CALYPUS - New Trades IRD						
New Trades for FXND)F	CALYPUS - New Trades NDF						
New Trades for CDX		CALYPUS - New Trades CDX						
Open Trades for IRS		CALYPUS - Open Trades IRD						
Open Trades for FXN	DF	CALYPUS - Open Trades NDS						
Open Trades for CDX	l .	CALYPUS - Open Trades CDX						
Terminated Trades fo	or IRS	CALYPUS - Terminated Trades IRD						
Terminated Trades fo	or FXNDF	CALYPUS - Terminated Trades NDF						
Terminated Trades fo	or CDX	CALYPUS - Terminated Trades CDX						
Matured Trades for I	RS							
Matured Trades for FXNDF								
Matured Trades for C	DX							
Account Activity Tem	plate	SWAP-ACTIVITY						
Collateral Position Ter	mplate	SWAP-MCPOSITION						
Collateral Allocation T	emplate	SWAP-MCALLOCATION						
Collateral Context		default						

Attributes

- >> CCPs Select the CCPs for which you want to consolidate the client statement.
- Static Data Filter You can select a static data filter that contains legal entity attributes to select the corresponding clients. This only applies if ALL is selected for the Client attribute.
 In order to allow the static data filter to contain legal entity attributes, you need to add the value ClearingLEAttribute to the domain "CustomStaticDataFilter".
- Client Select the client for which you want to generate the client statement, or ALL for all clients (or all clients satisfying the static data filter if set).
- » Layout Style Select "Default", "Condensed", "CondensedAccount" or "VMTS".
 - In the **Condensed** statement, all pending settlements are aggregated in 1 row, and the following sections are included in the Clearing Cash Flows Summary:
 - Separate Settlements
 - Initial Margin Summary
 - Summary of Payments

The **CondensedAccount** statement is available for client facing clearing accounts with account attribute CCPAccountStructure = ISA, and for Mode = ISA Daily. It uses the template CondensedAccountClearingStatement available in both HTML and PDF format.

The **CondensedAccount** statement is available for house facing clearing accounts with account attribute CCPAccountStructure = not set and CCPOriginCode = House, and for Mode = ISA Daily. It uses the template CondensedAccountClearingStatement available in both HTML and PDF format. It has an MTA section, which is automatically populated when MTA amount is defined on the IM contract. It has a Deficit/Excess cash section, which is populated if the CounterParty LE Attribute StatementCashBreakDown is set to true.

The **VMTS** statement shows the VMTS Ledger Matrix for margin call contracts with attribute SETTLEMENT_STRATEGY = VMTS.

Mode - Select the mode: Daily to get the daily activity, Monthly to get the month to date activity, or Parent Daily to get parent level daily activity.

See Parent Clearing Statement for "Parent Daily" setup requirements.

- >> New Trades for IRS Select the Trade Browser template for new IRD trades.
- >> New Trades for FXNDF Select the Trade Browser template for new FX NDF trades.
- >> New Trades for CDX Select the Trade Browser template for new CDX trades.
- >> Open Trades for IRS Select the Trade Browser template for open IRD trades.
- >> Open Trades for FXNDF Select the Trade Browser template for open FX NDF trades.
- >> Open Trades for CDX Select the Trade Browser template for open CDX trades.
- >> Terminated Trades for IRS Select the Trade Browser template for terminated IRD trades.
- >> Terminated Trades for FXNDF Select the Trade Browser template for terminated FX NDF trades.
- >> Terminated Trades for CDX Select the Trade Browser template for terminated CDX trades.
- >> Matured Trades for IRS Select the Trade Browser template for matured IRD trades.
- >> Matured Trades for FXNDF Select the Trade Browser template for matured FX NDF trades.
- >> Matured Trades for CDX Select the Trade Browser template for matured CDX trades.
- » Account Activity Template Select the Account Activity report template.
- » Collateral Position Template Select the Collateral Position report template.
- » Collateral Allocation Template Select the Collateral Allocation report template.
- >> Collateral Context Select "default".

The report templates are described below.

Performance Enhancements

To improve the performance, you can set the following JVM parameters:

"-XX:UseConcMarkSweepGC -Xms1g -Xmx4g -XX:MaxPermSize=384m"

You can also set the number of threads to use when generating client statements in the domain "Clearing.Statement.parallel.numThreads".

New Trades for IRS Template

Trade Browser template.

From the Calypso Navigator, navigate to **Deal Management > Trade Browser**.

[NOTE: Make sure that the "Trade Currency" column is selected as part of the Column Configuration]

Example = "001 - Calypso US New Trades IRD"

Criteria												
	Template D	escription								🔽 Undo Date		
	Trade	Start		-	End		+ -	-		Trade Filter	New Trades	
	Settle	Start		-	End		+ -	-		SD Filter		
	Process	Start	 	-	End		+ •	-		Filter Set		
	Maturity	Start		•	End		+ •	•	🗖 Open	Currency		
	Trade Id	ID 💌								Product Family		
Trade	Attribute	IS_CLIENT	-	Conta	ains	true				Product Type	Swap,FRA	
	Buy/Sell		-	Max Row	vs#					Product Id		
Bundle		Id 💌								Books		
	CP role:	ALL								Status	CLEARED, VERIFIED	
	Processing	Org CALYPSO_US	 	🔲 Inclu	ide Child	d Legal Entiti	es			Action		

- Trade Attribute = IS_CLIENT Contains true
- Processing org = <the clearing member>
- Trade Filter = New Trades
- Product Type = Swap, FRA
- Status = CLEARED, VERIFIED

The criteria of the "New Trades" trade filter are the following – It loads trades cleared today.

Post Processing	Position Spec	Counterparty	Fund	Diary Criteria		
Ranges Date / T	ïme Product (Criteria Trade	Criteria	Underlying Se	ecurity	Custom Criteria
Criterion Name	ClearedDate	-	2			
Chieffon Hume	Cited Out de					
		ī			0.0	_
Min 06/15/2013	2 - 🕶 UD 💌		Max	06/15/2012 +	UD	▼

New Trades for FX NDF Template

Same as New Trades for IRS with Product Type = FXNDF.

New Trades for CDX Template

Same as New Trades for IRS with Product Type = CreditDefaultSwap, CDSIndex.

Open Trades for IRS Template

Trade Browser template.

From the Calypso Navigator, navigate to **Deal Management > Trade Browser**.

[NOTE: Make sure that the "Trade Currency" column is selected as part of the Column Configuration]

Example = "001 - Calypso US Open Trades IRD"	
--	--

Criteria								
Template (Description					🥅 Undo Date		
Trade	Start -		▼ End	+ -	Ŧ	Trade Filter	Open Trades 🗾	
Settle	Start -		▼ End	+ -	Ŧ	SD Filter		
Process	Start -		▼ End	+ -	v	Filter Set		
Maturity	Start -		▼ End	+ -	🔻 🥅 Open	Currency		
Trade Id	ID 💌					Product Family		
Trade Attribute	IS_CLIENT	•	Contains	true		Product Type	Swap,FRA	
Buy/Sell		-	Max Rows#			Product Id		
Bundle	Id 🔻					Books		
CP role:	: ALL					Status	ED, VALIDATED, WAIT_RETRY	
Processing	Org CALYPSO_US		🔲 Include Child	Legal Entities		Action		

- Trade Attribute = IS_CLIENT Contains true
- Processing org = <the clearing member>
- Trade Filter = Open Trades
- Product Type = Swap, FRA
- Status = CLEARED, VERIFIED

The criteria of the "Open Trades" trade filter are the following - It loads trades cleared before today.

Post Processing Position Spec Counterparty Fund Diary Criteria	
Ranges Date / Time Product Criteria Trade Criteria Underlying Security	Custom Criteria
📑 New Rule 🕱 Remove All Rules 🖃 Collapse / Expand Panels	
MaturityDate is after today	× *
MaturityDate 💌 is after 💌 today	-
🗌 Include null	
TerminationDate is after today	× x
TerminationDate 💌 is after 💌 today	•
 Has keyword I Has not keyword 	
🗌 Include null	

Post Processing Position Spec Cou	Interparty Fund Diary Criteria	Cuctom Critoria
Ranges Date / Time Product Criter	ia 👖 Trade Criteria 📋 Underlying Security 👘	Custom Criteria
	1 1	1
Criterion Name ClearedDate	▼ 2	
Criterion name cicarcabate		
Min 🗸 🔻 👻	May 06(14(2012) - 🔽 1D	-
	100 00/14/2012	-

Open Trades for FX NDF Template

Same as Open Trades for IRS with Product Type = FXNDF.

Open Trades for CDX Template

Same as Open Trades for IRS with Product Type = CreditDefaultSwap, CDSIndex.

Terminated Trades for IRD Template

Trade Browser template.

From the Calypso Navigator, navigate to **Deal Management > Trade Browser**.

[NOTE: Make sure that the "Trade Currency" column is selected as part of the Column Configuration]

Example = "001 - Calypso US Terminated Trades IRD"

Criteria						
Template	Description			🔲 Undo Date		
Trade	Start - 💌	▼ End +		Trade Filter	TERM Trades 🗾	
Settle	Start - 💌	▼ End +		SD Filter		
Process	Start - 💌	▼ End +		Filter Set		
Maturity	Start - 💌	▼ End +	- Open	Currency		
Trade Id	ID 🔽			Product Family		
Trade Attribute	IS_CLIENT	Contains true		Product Type	Swap,FRA	
Buy/Sell	-	Max Rows#		Product Id		
Bundle	Id 💌			Books		
CP role	ALL			Status]
Processing	Org CALYPSO_US	🛛 🥅 Include Child Legal Entities		Action		

- Trade Attribute = IS_CLIENT Contains true
- Processing org = <the clearing member>
- Trade Filter = TERM Trades
- Product Type = Swap, FRA
- Status = Not set

The criteria of the "TERM Trades" trade filter are the following – It loads trades terminated today.

Post Processing	Position Spec	Counterparty Fund Diary Criteria						
Ranges Date / Ti	me Product	Criteria Trade Criteria Underlying Security Custom C	riteria					
📑 New Rule 🕱 Remove All Rules 🖂 Collapse / Expand Panels								
MaturityDate is on or after today include null X 🎗								
MaturityDate								
induntybate · is on or after · totay								
Include null								
TerminationDate	e within the las	t 1 day(s) include null	× ×					
Termination	nDate	▼ within the last ▼ 1 → day(s) ▼						
	0	Has keyword O Has not keyword						
✓ Include null								
Deat Brancasium	Decition Cuse	Countemports / Fund / Diago Cottonia						
Ranges Date / Til	Position Spec	Criteria Trade Criteria Underlying Security Custom C	riteria					
🗹 BUY 🗹 S	ELL							
Internal Reference	🖌 IN							
Bundle		ld 💌						
Bundle Attribute								
]					
Book	🗹 IN							
Trader	🗹 IN							
Status	🗹 IN	MATURED, TERMINATED						
Sales	⊯ IN							
Book Attribute								
Keyword Value								
Kerner	Hae -	TerminationDate TerminationTradeDate						
Keyword	Has 🗸	rerminationDate, rermination radeDate						

Terminated Trades for FX NDF Template

Same as Terminated Trades for IRS with Product Type = FXNDF.

Terminated Trades for CDX Template

Same as Terminated Trades for IRS with Product Type = CreditDefaultSwap, CDSIndex.

Matured Trades for IRD Template

Trade Browser template.

From the Calypso Navigator, navigate to **Deal Management > Trade Browser**.

[NOTE: Make sure that the "Trade Currency" column is selected as part of the Column Configuration]

```
Example = "001 - Calypso US Matured Trades IRD"
```

Criteria									
Template Description									
Trade	Start -	-	 End 		+ 🔻	•	Trade Filter	ALL 💌	
Settle	Start -	•	▼ End		+ 🔻	•	SD Filter		
Process	Start -	-	- End		+ 🔻	-	Filter Set		
Maturity	Start 09/05/2013	•	- End	09/05/2013	-	-	Open Currency		
Trade Id	ID 👻						Product Family		
Trade Attribute	IS_CLIENT	•	Contains	true			Product Type	Swap,FRA	
Buy/Sell		•	Max Ro				Product Id		
Bundle	Id 🔻						Books		
CP role:	ALL CUS01						Status	EXERCISED, TERMINATED	
Processing	Org CALYPUS		🗌 Include Cl	nild Legal Ent	tities		Action		

- Maturity Date = <today>
- Trade Attribute = IS_CLIENT Contains true
- Processing org = <the clearing member>
- Trade Filter = ALL
- Product Type = Swap, FRA
- Status = PENDING, PRICING, VERIFIED, ALLOCATED, ROLLOVERED, MATURED, EXERCISED, TERMINATED

Matured Trades for FX NDF Template

Same as Matured Trades for IRS with Product Type = FXNDF.

Matured Trades for CDX Template

Same as Matured Trades for IRS with Product Type = CreditDefaultSwap, CDSIndex.

Account Activity Template

Account Activity report template.

From the Calypso Navigator, navigate to **Reports > Nostro/Custodian Positions > Account Activity**.

[NOTE: Make sure that the "Currency" column is selected]

Example = "SWAP-ACTIVITY"

Criteria						
Template Desc	ription					
Start 04/18	'2013 - 🔽 OD	-	End 04/18/2013 + 💌 0D 💌	Init Date	NONE	-
Position Date	Available	Ŧ	ProcessingOrg	Cash/Sec	Cash	-
Position Class	Client	Ŧ	Cpty Id	Currency	AD, CHF, EUR, GBP	,JPY
Position Type	Actual	Ŧ	Account Id	Name 💌		
Position Detail	Start/End	Ŧ	🔽 Detail by Account	🔲 Show Only Positio	INS	Netting
Position Value	Quantity	-		🔲 Exclude Unchang	ed Positions	🔲 Display

- Start and End = 0D
- Position Date = Available
- Position Class = Client
- Position Type = Actual
- Detail by Account = Checked
- Currency = <list of currencies>

Make sure to select the currencies that you want to monitor.

This is a sample setup. You may choose the settings of the fields based on your business requirements.

You can define the flows that you want to filter out from the Account Activity section of the Client Statement in the domain "NPVFlows" and "NPVReversalFlows".

The domain "NPVFlows" contains NPV non-reversal flows, by default:

- CS_NPV_ADJUSTED
- NPV_ADJUSTED

CS_NPV_ADJUSTED

The domain "NPVReversalFlows" contains NPV reversal flows, by default:

- NPV_REV
- CS_NPV_REV

NPVReversalFlows

CS_NPV_REV

Collateral Position Template

Margin Call Position Entry report.

From the Calypso Navigator, navigate to **Processing > Collateral Management > Collateral Manager** - Report available under **Window > Report > Position**).

Example = "SWAP-MCPOSITION" (today's actual Margin_Call positions)

MarginCallPositionEntry Report (4/18/13 2:26:16 P	M) / SWAP-MCPOSITION (User: calypso_user)	
Report Data View Export Market Data Utilities H	lelp	
Criteria		
MarginCallEntry		Position
Process Date : Start - 💌	▼ End + ▼ ▼	Pricing Status :
Value Date : Start 04/18/2013 0D	▼ End 04/18/2013 + ▼ 0D ▼	Position Type : ACTUAL
Processing Org	Contract :	Currency :
CP role: ALL	Contract Types :	Underlying Type :

- Value Date Start and End = 0D
- Position Type = ACTUAL

Collateral Allocation Template

Margin Call Allocation Entry report.

From the Calypso Navigator, navigate to **Processing > Collateral Management > Collateral Manager** - Report available under **Window > Report > Allocation**).

Example = "SWAP-MCALLOCATION" (today's margin call trades)

MarginCallAllocati	onEntry Report (4/18	/13 2:23:50 PM) / 5V	WAP-MCALLOCATION (User: calypso_user)
Report Data View	Export Market Data	Utilities Help	
🖬 🖳 🖨			
Criteria			
MarginCallEntry			
Process Date :	Start 04/18/2013	- 🔻 OD 💌	End 04/18/2013 + 💌 0D 💌
Value Date :	Start		End + V

• Process Date Start and End = 0D

2 Please refer to the Calypso Clearing Member User Guide for sample client statements and complete details.

10.12 Parent Clearing Statement

This mode pertains to multi branch account structure wherein buy side has various funds which are clearing trades under parent entity. Buy side generally have each fund acting as cost center hence some flows of VM need to be accounted for at fund level however IM needs to be calculated at parent entity level taking offsetting risk advantage across all funds.

You can decide which flows need to be settled at parent level using the parent SDI functionality with environment property LOOK_PARENT_SDI = true and margin call contract attribute CLOUD_NET. The SDIs can be configured so that the system uses the parent SDIs to settle the flows defined in CLOUD_NET, and specific netting can be configured for those flows. The child SDIs are used otherwise.

The clearing statement allows reporting these flows using the scheduled task attribute Mode = Parent Daily. This only applies with the Default layout style.

10.12.1 Domain Values

Add the following domain values.

Domain "mccAdditionalField.CLOUD_NET" - Possible list of flows that can be netted. For example: ALL, COUPON, PAI, VM. This is user-defined.

Ľ	📕 Domain Values Window	
	Search: cloud_net Find 🗖 Value	
	mccAdditionalField.CLIENT_TRANSFERS	Name: mccAdditionalField.CLOUD_NET
	mccAdditionalField.CLOUD_CLEARING mccAdditionalField.CLOUD_NET	Value:
	→ ALL → COUPON	Comment:
	WM mccAdditionalField.DISPUTE_COMMENT_MANDATC	< Add Save Abo

Domain "tradeKeyword":

Value = CLOUD_NET

Domain "XferAttributes"

Values=CLOUD_NET

Make sure that CLOUD_NET is added to the domains "Clearing.MCC.propagateFields" and "PropagateTradeKeyword" so that it can be propagated to margin call trades and transfer attributes to be used in static data filters and netting configurations as needed.

10.12.2 Workflow

Make sure that the rule UpdateClearingMarginCallKeywords is set on the MarginCall workflow transition NONE – NEW – XXX.

Make sure that the rule PropagateTradeKeyword is set on the Transfer workflow transition NONE - NEW - XXX.

10.12.3 Legal Entities

Define Parent/ Child relationships between Parent fund and child entities as shown below.

Example: FUND_A child of parent LEADFUND

🜽 Legal	Entit	y- Version - 1 [1	40022SP	2/V140T0	C/calypso_us	er]	- 🗆 ×
Utilities	Help						
Short	Name	FUND_A			Status	Enabled	•
Full	Name	FUND_A			Role	Client	
F	Parent	LEADFUND				CounterParty	
Co	ountry	NONE		·		Statement Recipient	
Inactive As	s Fr		User caly	oso_user			
Entered	d Date	03/02/2017	6:15:56 A	M		[
Extern	al Ref			D	isabled Role(s)		
Но	lidays			 Financia Non Fina 	l ancial		
					ſ	Triparty Substitutio	ns

10.12.4 Margin Call Contracts

Set the attribute CLOUD_NET as needed for contracts that should be settled and netted at parent level.

In the example below, child FUND_A is settling VM and PAI through its parent entity LEADFUND. Coupons are directly settled by FUND_A. PAI has as separated netting bucket and VM is netted in a general bucket.

🗾 Margin (Call Windo	ow - Versio	n - 2													_ 🗆 ×
Margin Call (Config Ut	til Help														
Edit Browse																
	Proce	essing Org Al	LL	•	Collateral Policy	ALL	•									
		Role Al	LL	•	Legal Entity	FUND_A										
	Cont	tract Type Al	LL	-	Status	ALL	•									
												_				😴 -
Contract Id	Desc	cription	Contract Type	Processing Or	g Legal Entity	ADDITIONAL_	FIELD.CLOUD_NET	Filter	ADDITIONAL_	FIELD.INCLUDED_VM	_FLOWS	PO Collateral Type	LE Collateral Type	Status	Sta	rt Date
30405	FUNDA_VN	M_USD	Client	PO1	FUND_A	ALL						вотн	BOTH	OPEN	6/25/12 3:09:	00.000 PM ED
30901	FUNDA_PA	AI_USD	Client	PO1	FUND_A	PAI			CS_PAI			вотн	BOTH	OPEN	6/25/12 3:09:	00.000 PM ED
30902	FUNDA_CC	DUPON_USD	Client	P01	FUND_A				CS_COUPON			вотн	BOTH	OPEN	6/25/12 3:09:	00.000 PM ED
•												.			(•
												Load 🛛 🗖 Autr	norization Sh	ow Pend	in	Close

Make sure that the attributes INCLUDED_VM_FLOWS and CLOUD_NET are compatible:

- CLOUD_NET can be ALL or empty, if INCLUDED_VM_FLOWS is empty.
- CLOUD_NET can be ALL or a subset of INCLUDED_VM_FLOWS, or empty, if INCLUDED_VM_FLOWS is not empty.

10.12.5 Settlement Instructions

Parent Level

SWIFT SDIs should be set up at Parent level to instruct the payments of all children entities (including the parent itself when acting as a child entity) that are in scope, i.e. for transactions that are settled/ netted at the parent level.

Example:

Settlement Delivery Instructions [140022SP2/V140TC/]
Utilities Help
Edit Attributes & Notes Browse
SDI Id 15803
Reference 15803 Cash/Security BOTH
Role Client Contact Default
Beneficiary LEADFUND Processing Org PO1
Benef. Na Products ANY
Ccy USD SD Filter SDI_CloudNet
Pay/Rec BOTH Trade CounterParty ALL
Description SWIFT/BONY V Preferred Priority 0
Link SDI
Method SWIFT Add F Direct Effective From
Identifier
J by Trade Date
Agent: BONY [intermediary] [intermediary2] Direct
Code BONY A/C
Contact Default GL A
Name Sub A/C R-Ship
Identifier
New Delete Save Save As New Reg. Xfer Close
Show Pending Authorization
Static Data Filter Window [140022SP2/V140TC/]
Name: SDI_CloudNet Attributes Simulate
Comment: Pending Modifs
Groups: ANY
Attribute Criteria Filter Value(s)
Load New Delete Save Save as Usage Close

Child Level

The only SWIFT SDIs required at Child level are the SDIs of the settlements that will be directly instructed by the Child fund, i.e. not applicable for Parent netting and settlement.

It is necessary to specify in a filter the applicable flows for the SDI. Note that this SDI needs also to be set up for the parent entity when it acting as a child entity and no netting is required

Example: FUND_A settles the coupons at Child level.

🗾 Settlement	Delivery Ins	tructions [1	140022SP2/V14	отс/]	_ 🗆 ×
Utilities Help					
Edit Attributes	8 & Notes Brow	wse			
SDI Id		16202			
Reference		16202	Cash/Sec	urity BOTH	•
Role	Client	-	Con	tact Default	•
Beneficiary	FUND_A		Processing	Org PO1	•
Benef. Na			Prod	ucts ANY	
Ccy	USD		SD F	ilter NotCloudNetting	
Pay/Rec	вотн	•	Trade CounterP	arty ALL	
Description	SWIFT/BONY			☑ Preferred Priority	0
🗖 Link SDI					
Method S	WIFT	• /	Add 🔽 Direct	Effective From	
Identifier				Effective To	
Identifier J				🗖 by Trade Date	
Agent: BONY	[intermedian	/] [intermedia	ary2] Direct		
Code BONY			A/C		Msg
Contact	Default	▼ (GL A		
Name		Su	ub A/C		R-Ship
Identifier				-	
New	Delete	Save	Save As New	Reg. Xfer	Close
Show Pendi	ing Authorizatio	on 🗖 Auth	horization		
					1
🛓 Static Data Fili	ter Window [1	40022SP2/V1	L4OTC/]		
Name: NotCloud	Netting			Attributes Sim	ulate
Comment:				Pendir	ig Modifs
Groups: ANY		1			1
Attrib	iute IET	Criteria	3	Filter Value(s)	
	1	1	1 1		
Load N	ew Delete	Save	Save as	Usage	Close

10.12.6 Netting Method

This netting method will be used to create the netting buckets as defined on the underlying MCC. For instance, if a Fund has a separate PAI contract where CLOUD_NET is set to PAI and 2 further separate VM and Coupon contracts where CLOUD_NET is set to ALL, then the system will create 2 netting buckets: 1 for the netting by flow type for PAI only and the other for the contracts that are tagged as ALL.

Create new netting type, for instance CloudNet.

🛓 Additional Netting Type	×
Netting Type	Bundle CCP_Cpty ClearingPos CloudNet CollateralBalance CollateralLocation CounterParty FundFX GCF GCF GCFTAP IMMEDIATE
Save	Close

You can use the same netting keys as CounterParty netting but add key CLOUD_NET:

🍝 Netting Config Window	
Netting Help	
Netting Type	Netting Keys
	Кеу
	CLOUD_NET
	ExternalLegalEntity
Netting Handler	ExternalRole
	GLAccount
Default 🔹	InternalAgent
·	InternalLegalEntity
	InternalRole
	ProductFamily
	ProductType
	RealSettleDate
	SettlementCurrency
	ValueDate

Create a new Netting Method as shown below

Edit	Browse		1
	Legal Entity	LEADFUND Role ALL	
	Processing Org	PO1 Product MarginCall]
	Currency	ANY Settle Method SWIFT	
	Effective From	Effective To	
	Id	SD Filter Cloud_Netting_Method	
		Netting CloudNet	
	New	Delete Save Save As New	

Specify in the filter which flow types should be included in this netting method:

Static Data Filter Window [140022SP2/HSBC_OTC/]							
Name: Cloud_Netting_Method Attributes Simulate							
Comment:	Comment:			Pending	Modifs		
Groups: ANY							
Attribute	Criteria		Filter	Value(s)			
KEYWORD.CLOUD_NET							
KEYWORD.CLOUD_NET	▼ IS_NOT_NULL						

10.12.7 Parent Statement

The CLEARING_STATEMENT scheduled task is used to trigger the parent statement using Mode = Parent Daily and the following attributes:

- CCPs List of CCPs in scope for the statement
- Client Should bet set to the Parent Entity(ies) only
- Layout Default. Condensed is currently not supported for Parent statement
- Trade reports Currently not supported, should be left empty
- Other reports Same as default daily statement

Task Attributes		
CCPs	LCH	
Static Data Filter		
Client	LEADFUND	
Layout Style	Default	
Mode	Parent Daily	
New Trades for IRS		
New Trades for FXNDF		
New Trades for CDX		
Open Trades for IRS		
Open Trades for FXNDF		
Open Trades for CDX		
Terminated Trades for IRS		
Terminated Trades for FXNDF		
Terminated Trades for CDX		
Matured Trades for IRS		
Matured Trades for FXNDF		
Matured Trades for CDX		
Account Activity Template	P01_STMT_ACTIVITY	
Collateral Position Template	P01_STMT_MC_POSITION	
Collateral Allocation Template	P01_STMT_MC_ALLOCATION	
Collateral Context	EOD_COLLATERAL_CONTEXT	

The Parent Daily Statement is an aggregation of all the flows of the Child entities that are tagged with the MCC attribute CLOUD_NET. The statement is based on the default daily statement and follows the same logic.

The Parent statement can be distinguished from the child statement by looking at BO Message Attribute "Statement Type": Set to PARENT_DAILY for the parent statement and DAILY for the child statement.

	CALYPSO			
				Parent Daily Statement on 2017-04-05 for LeadFund
LeadFu	und			
Fina	ancial Summary			
	Clearing Cash Flows Summa	ary		
		USD	Total (USD)	
	Beginning Cash Balance	-459,652.00	-459,652.00	
	Commissions/Fees	0.00	0.00	

10.13Scheduled Tasks Execution

The scheduled tasks are executed by the Calypso Scheduler once you have defined triggers as described in the *Calypso Scheduled Tasks User Guide*.

Important Note – Timezones Considerations

In order to successfully process scheduled tasks which combine the import and processing of EOD files, **you need to run the relevant scheduled tasks for a given day before the EOD of the books where the trades are saved**, based on the book's timezone.

For example, the book's timezone is New York EOD 5pm. To process today's files, you need to run the scheduled tasks before 5pm New York time, regardless of where you run the scheduled tasks from, so that the trades are timestamped as of today, and the settlement date is computed from today.

Order of Execution

They should be executed in the following order:

- CLEARING_SOD_MARGINCALL (start of day)
- CLEARING_INTRADAY_MARGIN (every half hour during the day)
- CLEARING_TRANSLATE_TO_CDML
- CLEARING_PROCESS_FROM_CDML
- CLEARING_INTRADAY_SETTLEMENT (for intraday GBP FRAs only)
- COLLATERAL_MANAGEMENT
- CLEARING_STATEMENT
- ERS_ANALYSIS

Section 11. Intraday Margin Calls to Clients

This section describes the setup for making intraday margin calls to clients, and sending XML margin call notifications.





11.1 PL Mark Mapping

In this process we translate yyyymmdd_REP00086c - Intraday Margin Split_ "n" into CDML format for intraday reporting. 86c Intraday contains CoveredLiability = (**CoveredIM + CoveredLM + Covered AM + CoveredBR + CoveredCM + CoveredNPVChange**)

This report gives information on intraday initial margin requirements at a portfolio level for client activity.

- Frequency: Intraday, LCH generates the report every 15 mins
- **Report Structure:** This report contains the following information
 - MbrMnemonic = "ShortName"
 - **Account** = "C" representing client activity
 - **ReportingCCY** = Currency in which CoveredLiability is reported
- **Sub Components of CoveredLiability:** We are importing the following components for intraday client reporting purposes along with CoveredLiability in CollateralExposure trades:
 - **CoveredIM** = Initial Margin for all registered trades.
 - **CoveredLM** = Liquidity Margin: Liquidity Risk Multiplier multiplied by the Initial Margin amount. This is taken from the Previous Days Close of Business.
 - **CoveredAM** = Additional Margin for all registered trades.
 - **CoveredBR** = BR for all registered trades.
 - **CoveredCM** = CM within the total liability amount which has registered a call. This is only populated should a backload call or a TriReduce call be made.
 - CoveredNPVChange = NPV change for all registered trades -i.e. CoveredNPV NPVPreviousDay.
 - ItdCallAmount = Non-cumulative Intraday call amount.

11.2 Configuration Requirements

11.2.1 Domain Values

In the domain "Clearing.Statement.ITD.useBaseValue" add the value True or False.

- If true, amounts are converted to the base currency of the collateral context.
- If false, amounts are converted to the contract currency of the LCH IM contracts.

11.2.2 Date Rule Setup

The following date rules are needed for the margin call contract for ad-hoc or intraday valuation.

Daily date rule for Valuation Date Frequency

💋 Date Rules		×
Name Daily		Type DAILY 🔻
Day 0	Add Days 0	WeekDay NONE -
Month JAN	v	Rank
Select All	UnSelect All	Date Roll NO_CHANGE
🔽 Jan 🔽 Feb	Mar	
🔽 Apr 🛛 🔽 May	Jun Add Relative Months	IS 0 Bus (• Cal] Bus Days
🔽 Jul 🔽 Aug	Sep Relative Type:	Holidays NYC
Oct 🔽 Nov	Pec Relative	Check Holiday
Relative		

VD=0D date rule for Valuation Time Offset

🗾 Date Ru	ıles						_	
Name	VD=0D				Туре	RELATIVE	:	-
Day	0	Add	Days 0		WeekDay	NONE		-
Month	JAN		7		Rank	NONE		~
Sel	lect All		JnSelect Ali		Date Roll	NO_CHAN	NGE	-
🗖 Jan	Feb	Mar 🗌	Add Relative Months	0	Bus	O Cal	Bus Da	ys
Apr	May	🗖 Jun	Relative Type:	ľ	Holiday			
	Aug	Sep	Absolute	~	(londer)		de Holiday	
Oct		Dec	,	_		I Che		
F	Relative D	aily			3	727		

11.2.3 IM Margin Call Contract Setup

You need to set up Ad-Hoc details for the IM margin call contracts: Check "Ad-Hoc Calls" in the Ad-Hoc Details panel.

This enables the Valuation details.

🛃 Margin Call Windo	Margin Call Window - Version - 0					
Margin Call Config	Util Help					
Edit Browse						
Name :	AEGON_IM_LCH_IF	RS				
Description :						
Concentration	Optimization	Child Configurat	ions Ratings			
Additional Info	Eligible Books	Eliaible Securities	Eligible Currencies			
Parties Details Date	25 & Times Ad-Hoc	Initial Margin	Independent Amount			
🔲 📼 🛛 🗣 👯						
🗆 Calls						
Ad-Hoc Calls		[V			
田 북 탄복						
Valuation						
Valuation Date Freq	uency	Daily				
Valuation Time Offset		VD=0D				
Valuation Date Time		2:28 pm				
valuation Time Zone		America/New_York				

Set the Valuation Date Frequency as Daily and the Valuation Time Offset as the relative date rule based on the Daily date rule previously defined. You also need to set an end-of-day pricing environment and an intraday pricing environment in the Details panel.

Parties Details Dates & Times	Ad-Hoc Details	Initial Margin	Independent Amount			
Perimeter						
Workflow						
Details						
Status		OPEN				
Contract Type		Client				
Contract Group						
Contract Direction		BILATERAL				
Secured Party		ProcessingOrg				
Rehypotheticable Collateral						
End Of Day Pricing Environmen	t	FROMDB				
Intraday Pricing Environment		FROMDB				
Include End Date Exposure						

11.2.4 Collateral Contexts

You need to define a collateral context for end-of-day processing, and one for intraday processing.

EOD Collateral Context

It should have Pricing Env Type = EOD, and Valuation = Standard.

It is used for EOD processing in the scheduled task COLLATERAL_MANAGEMENT, and in the Collateral Manager.

Collateral Context Configuration						
Collateral Context	Util Help					
Name :	EOD_Collatera	al_Context	1		0	🔽 Default
Description :	EOD collateral	context				2.3.6-14.1.0.
Product Defin	lition	Posit	Ion Definition	-	Current	cy Definition
Entry Attributes	Alloca	tion Attributes	Workflow	Pricing	C	ontext Attributes
Definition						
Pricing Env Type EOD						
Rating Scenario						
Valuation			Standard			

ITD Collateral Context

It should have Pricing Env Type=ITD, and Valuation= Adhoc.

It is used for intraday processing in the scheduled task COLLATERAL_MANAGEMENT, and in the Collateral Manager.

Collateral Context Configuration						
Collateral Context	Util Help					
Name :	ITD_Collateral	_Context	1	()	🔽 Default
Description :	ITD collateral	context				2.3.6-14.1.0.
Product Defi	Product Definition Position Definition Currency Definition			ion		
Entry Attributes	Entry Attributes Allocation Attributes Workflow Pricing Context Attributes			ttributes		
Definition						
Pricing Env Type ITD						
Rating Scenario						
Valuation AdHoc						

You can also define a separate collateral workflow for the intraday collateral context using the Workflow panel.

Workflow Setup

You can create a separate Collateral workflow for each context, or add a NEW transition from EXECUTED to PRICING.

It is also important to have a SUBSTITUTE intermediate transition to apply the workflow rule SetMarginCallTradeTypeAttribute.



The workflow rule SetMarginCallTradeTypeAttribute needs to be added on the VALIDATE and SUBSTITUTE transitions. This rule sets the keyword CCPSettlementType to ITD or EOD based on the Pricing Env Type of the collateral context.

MorkFlow Action			<u>_0×</u>
Id 14762		Action VALIDA	
Orig Status ALLOCATED		Result Status VALIDA	
Event Class Collateral		Subtype ALL	
Product ALL		Processing Org ALL	
Different User	Create Task	Use STP	Use KickOff/Cut Off
Log Completed	Preferred Action	Update Only	🔲 Generate Intermediary E
🔽 Needs man, Auth,			0 Priority
Rules SetMarginCallTrad	leTypeAttribute		Help
Section WorkFlow Action			_ _ _ _ _
Id 33202		Action SUBSTI	TUTE
Orig Status EXECUTED		Result Status SUBTIT	UTED
Event Class Collateral		Subtype ALL	
Product ALL		Processing Org ALL	
Different User	Create Task	Use STP	Use KickOff/Cut Off
Completed	Preferred Action	Update Only	🔲 Generate Intermediary Ev
Needs man, Auth.			0 Priority

11.2.5 Processing Org Attributes

You need to specify the following attributes on the processing organization:

- EODCollateralContext Enter the EOD collateral context. Used to apply on Margin Report filters to generate appropriate information on ITD notification XML.
- ITDCollateralContext Enter the ITD collateral context. Used to apply on Margin Report filters to generate appropriate information on ITD notification XML.
- ImportZeroMarginAmountITD Used when importing the COVEREDLIABILITY column. Default is true.
 - If false, COVEREDLIABILITY and the other PL marks are imported ONLY if ITDCALLAMOUNT column <> 0
 - If true, PL Marks are imported regardless of the value in the ITDCALLAMOUNT column.
- ApplyBufferITD Used to apply a buffer against intraday margin calls. Default is false.
 - If false, no buffer is applied.
 - If true, a buffer (multiplier) is applied.

11.2.6 Intraday Notification Message

The system creates an XML file on creation of the Margin Call Trades for intraday. It is stored into the local folder. This message is used for client notification and downstream reporting.

Message Setup

Product Type = MarginCall

Message Type = CLEARING_ITD_STATEMENT

Receiver Role = Statement Recipient

Event Type = STATEMENT

Format Type= XML

Edit Browse				
Product Type	MarginCall	Language	English	-
Event Type	VERIFIED_TRADE	Address Type	ITD_STATEMENT_FILE	• …
Message Type		Gateway	FILE	•
Processing Org	ALL	Format Type	XML	•
PO Contact Type	Default 💌	Template	ClearingITDStatement.xml	
Receiver	ALL	SD Filter	isITDMarginCallTradeType]
Receiver Role	ExtCounterParty		Matching	
Rec Contact Type	Default 💌		🗖 Do not Send Message	
Grouping	▼		Inactive	
Config Id	286200 Delete	Save	Save As New	

SD Filter Setup

The static data filter checks the trade keyword MarginCallTradeType.

Static Data Filter Window [142002/CLEARING_37/calypso_user]					
Name: isITDMarginCallTradeType		Attributes			
Comment:					
Groups: ANY					
Attribute	Criteria		Filter Value(s)		
KEYWORD.CCPSettlementType	🔻 IN	:Add	ITD		

Message Sender Configuration

📈 Message Sende	er Config				
Sender Config Cop	y Config				
Message Status	TO_BE_SENT	-	Product Type	MarginCall	•
Advice Type	CLEARING_ITD_STATEMENT	•	Address Type	ITD_STATEMENT_FILE	-
Static Data Filter			Gateway	FILE	T
🔽 Save	Master and Copies AdviceDocu	iments wi	ll be saved in DB		
🔽 Send	🔲 Sender By Method	🔽 Sen	der By Gateway		
GatewayFILEDoc	umentSender class will be called				

11.3 Scheduled Tasks

Configure the scheduled task CLEARING_TRANSLATE_TO_CDML with Intraday = true.

Task Type	CLEARING_TRANSLATE_TO_CDML			
External Reference	CDML Intraday Import			
Comments				
Description				
Attempts	1			
Retry After, In Minutes	0			
JVM Settings	-Xms512m -Xmx1024m -XX:MaxPermSize=256m			
Allow Task To	🔲 Skip Execute 🔲 Send Emails 📄 Publish Business Events			
Common Attribute	5			
Task Attributes				
Base Folder	/home/clearingV14/Calypso/clearing/MasterFolder			
CDML Processing	Import Only			

On execution of this scheduled task, the system imports PL marks on existing Collateral Exposure trades.

After executing this scheduled task, you need to execute the scheduled task COLLATERAL_MANAGEMENT with the intraday collateral context, to generate the margin calls and the intraday message notifications.

e	
Task Type	COLLATERAL_MANAGEMENT
External Reference	
Comments	
Description	
Attempts	1
Retry After, In Minutes	0
JVM Settings	-Xms512m -Xmx1024m -XX:MaxPermSize=256m
Allow Task To	Send Emails Publish Business Events To
Common Attributes	5
Task Attributes	
Template	Clearing OTC
Collateral Context	ITD_Collateral_Context
Price method	
Optimization	
Workflow Action	NEW

Section 12. Glossary

COVA	Value of Collateral Held	Total value of posted collateral (post-haircut) for the transaction.		
MARG	Margin Amount	Difference between the total collateral value and the total collateral required.		
TACR	Total Accrued Interest Amount	Total amount of money accrued interest computed in the case of interest bearing financial instruments.		
TCFA	Total Cash Failed Amount	Total value of undelivered intended transaction cash amount.		
TCOR	Total Collateral Required	Collateral is required to cover interest that accrues on the exposure. Margin amount would thus be the difference between collateral required and collateral value (that is COVA).		
TEXA	Total Exposure Amount	Total exposure amount between the giver and the taker expressed in the transaction currency.		
TPIN	Total Pending Collateral In	Value of incoming collateral, to be settled for the transaction.		
TPOU	Total Pending Collateral Out	Value of outgoing collateral, to be settled for the transaction.		
TPRI	Total of Principals	Total of principals for the transaction.		
TRAA	Transaction Amount	Transaction amount.		
TRTE	Termination Transaction Amount	Termination transaction amount.		

Section 13. Default Management Process

In case of counterparty default, the CCP provides a portfolio to each clearing member (DMP Auction reports) as well as scenario shifts and curves.

The expectation is to calculate VM and IM, and reconcile it with the CCP numbers. This is to check the readiness of the clearing members to take part in the auction of the defaulted portfolio.

13.1 Curves Mapping

REP109 curves need to be mapped in customclearingreports like in the examples below:

```
<bean name="VMYieldCurve-ZeroRatesDay ZAR" parent="parentCurveLCHReport">
   <property name="displayName" value="VM Yield Curve - Zero Rates" />
   <property name="path"
value="/Public(mbr)/SwapClear#{lchSwapClearFolderSuffix}/Risk/Yield
Curves/${date}_REP00109 VM Curve - Discount Factors_ZAR_ 1.txt" />
   <property name="XSLResourcePath"
value="#{lchStylesheetBasepath}/LCH_REP00100a.xslt" />
</bean>
<bean name="VMYieldCurve-ZeroRatesDay USD" parent="parentCurveLCHReport">
  cproperty name="displayName" value="VM Yield Curve - Zero Rates" />
  <property name="path"
value="/Public(mbr)/SwapClear#{lchSwapClearFolderSuffix}/Risk/Yield
Curves/${date} REP00109 VM Curve - Discount Factors USD 1.txt" />
  <property name="XSLResourcePath"
value="#{lchStylesheetBasepath}/LCH REP00100a.xslt" />
</bean>
```

CurveName 100a_AUD_AONIA_EOD 100a_AUD_BBSW_3M_EOD	-	Names	LCH/CurveName
100a_AUD_BBSW_6M_EOD		Interface Value:	1004_CAD_COOR_3M_EOD
100a_ADD_BBSW_EOD		Calypso Value:	LOH_CAD_COOR3M_EOD_100a
100a_CAD_CORRA_EOD		Reverse Default:	Г
100a_CHF_LIBOR_12M_EOD		1	
100a_CHF_LIBOR_6M_EOD		<< Add	
100a_CHF_TOIS_EOD		>> Remove	
100a_CZK_PRIBOR_6M_EOD		Configure Interfaces]
100a_CZK_PRIBOR_EOD		Configure Types	
100a_DKK_CIBOR_6M_EOD			
100a_EUR_EONIA_EOD	-		

13.2 Indices Mapping





13.3 Process

You can use the scheduled task DEFAULT_TRADE_LOADER to import FPML messages to create trades of the defaulted portfolio into the system from the DMP Auction reports.

You can use the scheduled task CLEARING_IMPORT_MARKET_DATA to import curves and reset rates so that valuation can be done for all the imported trades.

You can then perform independent valuation and IM calculation.