

Customer Information 2017-05-05

PEGAS – Introduction of trading limits for Straight Through Processing (STP)

Dear trading participants,

Please be aware that ECC will extend its Trading Limit service for its Clearing Members by introducing a new Risk Limit check for PEGAS trades registered via Straight Through Processing (STP) on May 31, 2017.

The STP Risk Limits service will allow Clearing Members to manage their financial exposure by defining monetary pre-trade limits.

The STP limit will cap the maximum possible margin increase caused by STP trades during a trading day. For each and every STP trade a check will be performed against the applicable limits set by the Clearing Member.

STP trading limits have to be agreed between the Clearing Member and its Non-Clearing Member in advance. The Clearing Member will set-up the Trading Limit according to this Agreement. For any limit changes, the Non-Clearing Member will have to contact its Clearer.

This service and maintenance will be ensured by ECC. The limit can be setup by the Clearing Member in ECC Trading Limit Self-Service Solution (SMSS). More details can be found in ECC's Risk Management Services Manual.

A simulation session is planned between May 16 and May 29 at ECC. If you wish to participate, please liaise with ECC (see ECC Clearing Circular No.15/2017) who will provide you with all information to perform the tests.

Please do not hesitate to contact Powernext Market Operations or ECC Clearing and Settlement if you have any questions.

Yours sincerely,



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