

Account Structure

Document Name	EMIR* Article	RTS** Article	Document Class
Account Structure	48		Document re- quired by FMA for EMIR authoriza- tion

*EMIR = Regulation (EU) 648/2012, ** RTS = *Regulation (EU) 153/2013

Document Information

Document Owner	CRO	Kalina Jarova-Müller
Document Approver 1	GM	Regina Melzer
Document Approver 2	GM	Wolfgang Aubrunner

Document Review Cycle: 2 years

Change Log¹

Version	Effective Date	Change Description
V1.0	06.06.2014	Initial Document
V1.1	08.07.2014	Adaptions regarding protection level in omnibus and individual client segregation
V1.2	06.02.2017	Adaptions with regards to the migration of the settlement of CCP.A transactions to the T2S platform and the introduction of services of Payment Agents

¹ The Change log is only used for final versions.

Content

1	Introduction to Clearing Accounts.....	4
2	Account Types	4
2.1	Functional Clearing Accounts - Position and Margin Accounts	5
2.2	Physical Clearing Accounts - Collateral and Settlement Accounts.....	6
3	Standard Clearing Account Scenarios	6
3.1	Clearing Account Setup for DCMs - Omnibus Client Segregation.....	6
3.2	Clearing Account Setup for GCMs - Omnibus Client Segregation	7
3.3	Clearing Account Setup for DCMs - Individual Client Segregation.....	7
3.4	Clearing Account Setup for GCMs - Individual Client Segregation.....	8
3.5	Clearing Account Setting - Maximum Segregation	9
4	Security Features of Account Models in Case of Default	9
4.1	Standard Protection Level (Omnibus Client Segregation).....	9
4.2	Enhanced Protection Level (Individual Client Segregation)	10

1 Introduction to Clearing Accounts

CCP.A's clearing model allows for high flexibility in managing member's clearing positions and collateral accounts in different granularity² for

- position registration,
- risk management,
- collateral management and
- settlement of transactions.

All clearing accounts are held on a net position basis.

Two forms of account aggregation are being used in the clearing process. Traditionally omnibus account aggregation is utilized for Clearing Members' positions and the positions of their clients. With the advent of EMIR CCP.A introduced the concept of 'Registered Clients', allowing for separated individual clearing accounts of specifically recognized individual Clients.

The structure and interlinkage of the account model fully reflects the various options of participation in the clearing process. General Clearing Members (GCMs), Direct Clearing Members (DCMs) and Non Clearing Members (NCM) as well as Registered Clients (RCs) and Clearing Agents³ (CAs) are supported.

2 Account Types

In the account model CCP.A utilizes functional accounts, ie. position accounts and margin accounts, held in the clearing system as well as physical accounts, e.g. settlement accounts, held by the Clearing Member, or if necessary through the use of a Payment Agent, with the Settlement Bank and collateral accounts held with Collateral Custodians.

All clearing accounts of the clearing participants carry positions, assets, etc. related to transactions of a specific business clientele, which is either proprietary business (P) or client business (A) or business of Registered Clients (RC).

Business Category	Account Types		Portability ⁴
		Segregation Type	
Proprietary	P	Omnibus	optional*
Client	A	Omnibus	yes, if certain conditions are

² altogether referenced as 'Clearing Accounts'

³ In CCP.A's clearing model 'Clearing Agents' are clearing service providers supporting Clearing Members in their clearing activities. CAs technically manage clearing accounts on behalf of clearing members.

⁴ The Portability of accounts in case of a member's default requires a specific legal arrangement ('Transfer Agreement' with CCP.A) allowing for unconditional transfer of positions and assets of Clients and NCMs in a defaulting event (without consent of the defaulting Clearing Member).

fulfilled

Registered Client RC Single yes

)* except P accounts of defaulting DCMs and GCMs

The standard setup for clearing accounts of exchange participants (GCMs, DCMs, and NCMs) comprises at minimum two omnibus accounts (A a. P) for each participant. On request by a clearing member additional clearing accounts can be setup (A1, RC, ...).

2.1 Functional Clearing Accounts - Position and Margin Accounts

Clearing Accounts	Level of Granularity		
	held with	Standard Granularity	Optional Segregation
Position Account	Clear. System	A, P, RC*	same
Margin Account	Clear. System	A, P, RC*	same
Collateral Account	Settl. Bank	accumulated, RC*	A, P, RC
Settlement Account (cash)	Settl. Bank	accumulated	A, P, RC
Settlement Account (securities)	Settl. Bank	accumulated	A, P, RC

)* Registered Client concept reflects the individual client segregation, which is as such optional and only applicable if chosen

The functional clearing accounts (position and margin accounts) of the clearing participants are held in the clearing system and carry respective positions and margin requirements of the participants.

Positions as well as margin requirements are mandatorily kept on separate accounts, distinguishing A, P and RC positions.

On the position accounts CCP.A keeps records of the trades of a given trading day and, if existing, open positions from previous settlement days remaining from delayed/partial deliveries.

The respective linked margin accounts (see section 3) showing the A, P, RC margin requirements comprise the required netted margin amounts of the clients.

The determination of the margin requirements is based on the exchange transactions and the open positions of the Clearing Member (always separated for proprietary and client business) and (if applicable) of the positions of Non Clearing Members (also separated for proprietary and client business) and of the positions of Registered Clients.

2.2 Physical Clearing Accounts - Collateral and Settlement Accounts

Each Clearing Member must maintain cash and securities accounts suitable for the settlement and collateralization with the Settlement Bank and the Collateral Custodian (or, if applicable, maintain such accounts through its Clearing Agent).

In case of standard collateral accounts (pooling A + P collateral, see section 3) the share of A and P contribution to the respective collateral pool is defined by the ratio of the linked margin accounts of the two groups, therefore allowing a clear distinction of the agent and proprietary contributions in the pool – value based segregation.

The granularity of the physical accounts held at the Settlement Bank is optional. The accounts can either be run separately for the respective business category or accumulated (c. section 3). On request additional physical accounts can be integrated in the account model setup (A1, RC, ...).

3 Standard Clearing Account Scenarios

The following examples describe different standard scenarios for setting up clearing accounts for clearing participants.

3.1 Clearing Account Setup for DCMs - Omnibus Client Segregation

DCM 1	omnibus client segregation								
	Collateral Account		Margin Account		Position Account		Settle. Account (Sec.)		Settl. Account (Cash)
	A+P	<=>	A	<=>	A	<=>	A+P	<=>	A+P
		<=>	P	<=>	P	<=>		<=>	

Clearing Member DCM1 has chosen the standard setup for maintenance of his proprietary positions (P) and the client positions (A) positions.

The collateral and settlement accounts are held (owned) by the respective clearing member. The assets in the standard collateral account (A+P) are accumulating (collateral pool) the collateral required for proprietary and for client positions (without netting or offsetting A and P margin requirements).

To identify the contribution of clients and proprietary positions in the collateral pool CCP.A determines daily the respective margin requirements for the two groups (see also section 4) – value based segregation.

The standard clearing account setup of a DCM consists of 1 collateral account, segregated functional accounts and 2 settlement accounts for cash and securities.

3.2 Clearing Account Setup for GCMs - Omnibus Client Segregation

GCM 1	omnibus client segregation								
	Collateral Account		Margin Account		Position Account		Settle. Account (Sec.)	Settle. Account (Sec.)	
	GCM A+P	<=>	A	<=>	A	<=>	A+P	<=>	A+P
		<=>	P	<=>	P	<=>			
	NCM A+P	<=>	A	<=>	A	<=>			
		<=>	P	<=>	P	<=>			

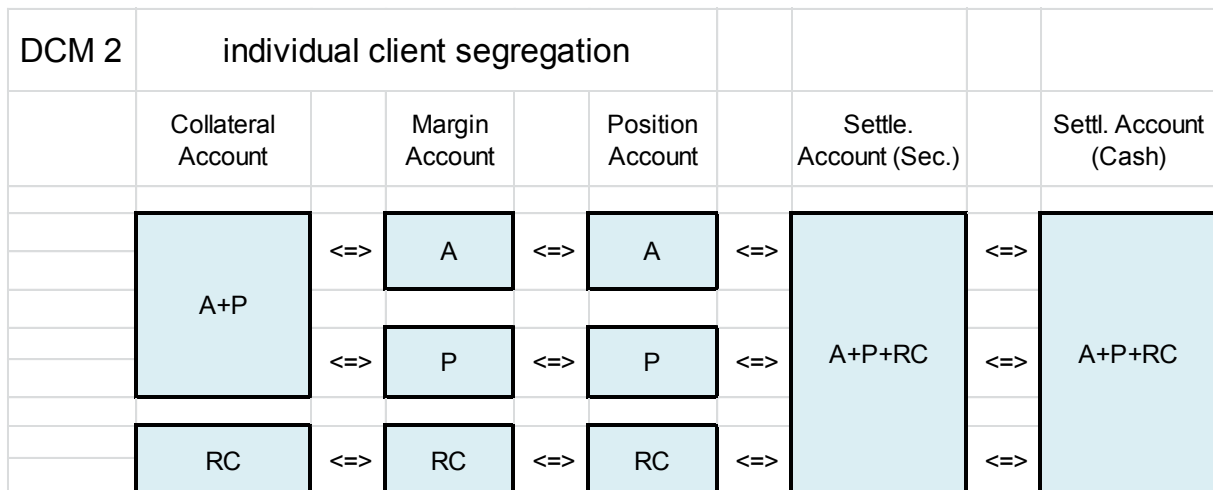
Clearing Member GCM1 has chosen the standard Setup for maintenance of his proprietary positions (P) and his client positions (A). The GCM serves one NCM, whereas the NCM positions (A + P / light orange) must be setup separately from the GCMs accounts (and for each additional NCM). Settlement accounts may be run accumulated for GCM and NCMs.

The standard clearing account setup of a GCM with 1 NCM comprises 2 collateral accounts, fully segregated functional accounts, and 2 settlement accounts for cash and securities.

3.3 Clearing Account Setup for DCMs - Individual Client Segregation

The individual client segregation scenario differs from the standard setup for DCMs (sec. above) only by an additional set of clearing accounts for Registered Clients.

The Individual Client Segregation model is an extension of the Omnibus Client Segregation model (described in section 3.1-2).

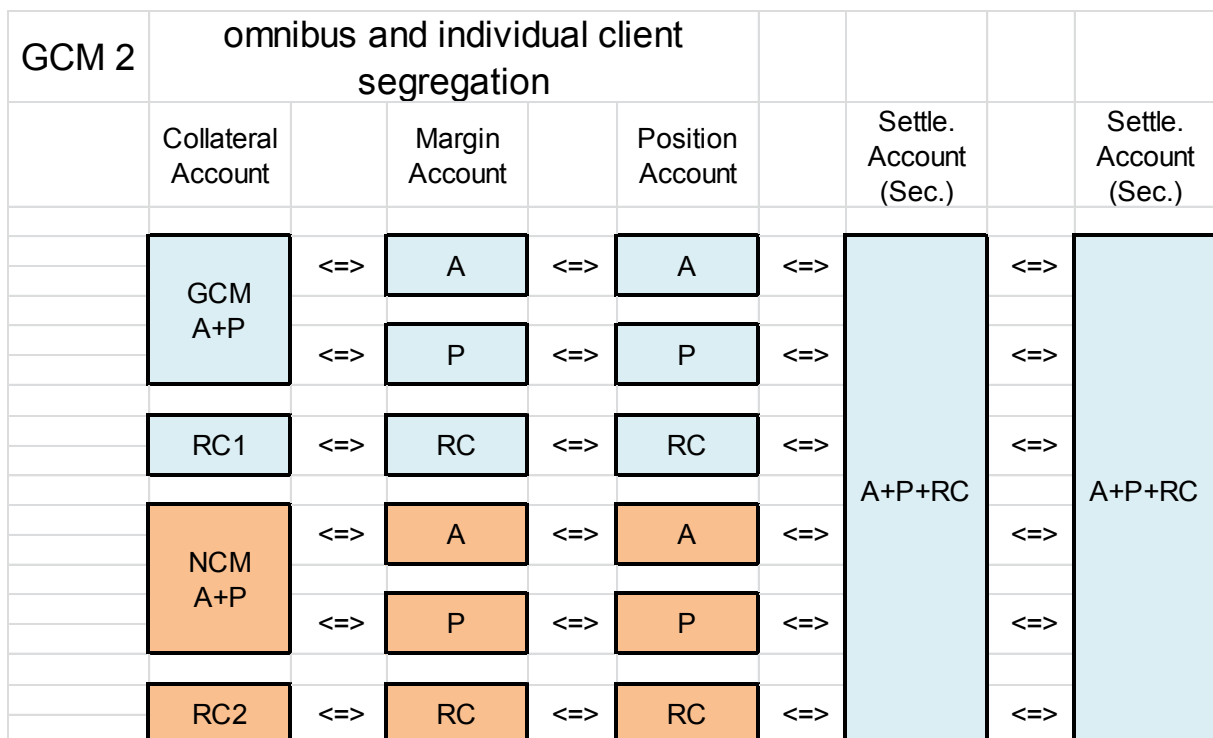


On request⁵ of a Client (who becomes a Registered Client by request) a separate set of clearing accounts will be set up for the client.

The RC account set consists of separate functional accounts as well as a separate collateral account for the individual client. The RC accounts are individually segregated accounts with Transfer Agreement and come as such with Enhanced Security features (see section 4.2).

The settlement accounts for RCs can optionally be separated from the member's settlement accounts as well.

3.4 Clearing Account Setup for GCMs - Individual Client Segregation



⁵ The request includes the conclusion of a 'Transfer Agreement' with CCP.A (compare section 4).

In this example the Clearing Member GCM2 has a Registered Client (RC1) of his own and a second Registered Client (RC2), which in this example is a client of the NCM.

The RC1-2 accounts are individually segregated accounts and come as such with Enhanced Security features (see section 4.2).

The GCM (A+P) and NCM (A+P) account sets are accounts with standard omnibus client segregation (ie. without Transfer Agreement) and have as such a Standard Security Level (see section 4.1).

3.5 Clearing Account Setting - Maximum Segregation

If clearing members chose for higher levels of account granularity then the segregation may also be extended to the settlement accounts as well.

DCM 3	maximum account segregation								
	Collateral Account		Margin Account		Position Account		Settle. Account (Sec.)		Settl. Account (Cash)
	A	<=>	A	<=>	A	<=>	A	<=>	A
	P	<=>	P	<=>	P	<=>	P	<=>	P
	RC	<=>	RC	<=>	RC	<=>	RC	<=>	RC

In this example DCM3 (with one RC) has segregated all settlement accounts as well as the collateral accounts.

4 Security Features of Account Models in Case of Default

The granularity in CCP.A's account models supports the highest degree of security and portability of Client positions and assets in case of default.

CCP.A offers with its account model the choice between two levels of security and asset protection.

4.1 Standard Protection Level (Omnibus Client Segregation)

The standard level of protection is set out by the systemic segregation of positions and assets between of the clearing member (P) and the clients (A), allowing for a separate realization of positions and collateral.

In the omnibus client segregation model the net client positions (A) are built from transactions executed on behalf of different clients. Also the collateralization of these positions takes place together on an omnibus level. The clients in this case are not familiar to CCP.A - this is the main difference between the Registered Client Model.

In case of a trigger event (e.g. default of clearing member) CCP.A will initiate the procedure to transfer the open positions and the assets of the clients (A) to a non-defaulting clearing member designated by a joint representative of the clients and without the consent of the defaulting Clearing Member concerned. The transfer can be successfully performed, if

- a) the according accounts are furnished with sufficient collateral,
- b) all clients have appointed a joint representative and this joint representative requests the transfer of positions and assets and
- c) the accepting Clearing Member contractually declares its consent to accept the assets and open positions of Clients.

If one of the above mentioned conditions is not met, then a transfer is not possible.

After the portability procedure has been followed eventually remaining positions and assets of the clients may be transferred later on in the course of the resolution of the default.

In case of the standard collateral accounts (pooling A + P collateral, see sec. 3.) the A and P contributions (as defined in by the respective ratio of A and P margin accounts) will be used only to close out their respective obligations (A for A and P for P).

4.2 Enhanced Protection Level (Individual Client Segregation)

The negative impacts of a default on customers (assets and positions) can significantly be minimized by choosing for the enhanced level in security by explicitly charging CCP.A (by means of a specific Transfer Agreement) to transfer respective positions and assets to a backup clearing member once a default has been declared.

In the best case the Transfer Agreement has to be concluded prior to the event (involving all relevant parties and including an appointed backup clearing member). The forms for the Transfer Agreement can be found on www.ccpa.at.

The following picture shows an example of a Clearing Member (GCM4) who has concluded Transfer Agreements with CCP.A for four sets of clearing accounts and choosing the Enhanced Protection Level for these accounts.

In case of a potential default the four account sets (GCM RC, NCM A, NCM P, NVM RC) would be transferred by CCP.A to a respective backup clearing member. Due to the high level of segregation there is no netting between positions NCM A, NCM P and NCM RC and no offset takes place in the margin calculation. Also the collateral is held on segregated accounts which are assigned 1:1 to the corresponding margin and positions accounts.

The assets and positions related to GCM (A+P) remain in the example in the Standard Protection Level. They will be closed out according to the rules set out in the default procedure and eventually left open for further handling through the administrator of the GCM.

GCM	mixed segregation				
	Collateral Account		Margin Account		Position Account
	GCM A+P	<=>	A	<=>	A
		<=>	P	<=>	P
	GCM RC	<=>	RC	<=>	RC
	NCM A	<=>	A	<=>	A
	NCM P	<=>	P	<=>	P
	NCM RC	<=>	RC	<=>	RC
					Standard Level (w/o Transfer Agreement)
					Enhanced Level (with Transfer Agreement)