

# **IMPORTANT NOTICE**

**European Central Counterparty Limited**



**#:** E#20-09  
**Date:** November 9, 2009  
**To:** All Participants  
**Attention:** Managing Partner/Officer;  
Manager, Operations Department;  
Manager, Treasury/Finance Department  
**From:** EuroCCP Counsel's Office  
**Subject:** Interoperability—Update on Rule Change consultation and status

On October 7, 2009, EuroCCP issued an Important Notice (E#17-09) setting out the Corporation's proposal to implement changes to its Rules to facilitate interoperability with other central counterparties. That Notice provided for a consultation period which ended on Friday, November 6.

EuroCCP received questions and comments from several Participants and discussed with each the questions they raised. In addition, at the end of October the FSA indicated to EuroCCP that some concerns had been raised by other national regulators regarding the proposed interoperability arrangements including, but not limited to, the proposed inter-CCP margining arrangements. EuroCCP was informed that these were general concerns relating to systemic risk, as opposed to relating specifically to EuroCCP. As a result of these concerns, the FSA has indicated that all pending proposals for interoperability involving UK Recognised Clearing Houses will be subject to a full regulatory review which may take up to three months to complete. In this regard, they also recognise the need to apply requirements consistently across all proposed and existing interoperable arrangements.

EuroCCP is continuing to work on competitive clearing and will continue to actively push for common standards on interoperability. However, at this stage interoperability projects are on hold, pending completion of the regulatory review.

EuroCCP believes that a number of the questions and comments Participants raised during the consultation period are issues that the FSA is considering and has also requested that affected central counterparties consider-- both with their respective regulators and on a peer-to-peer basis. EuroCCP will update Participants, following completion of the FSA regulatory review, as to any changes in EuroCCP's overall approach to interoperability and/or modifications to the proposed rule changes necessitated as a result of that review and our ongoing discussions with the other CCPs with which we propose to interoperate. Any such changes will be communicated via Important Notice prior to the launch of interoperability. In the interim, any questions you may have should be directed to your Relationship Manager.

Merrie Faye Witkin  
Corporate Secretary and Counsel