

## Individual Segregation (ISA): Enhancements to collateral release process

Targeted recipients of this Clearing Circular:

Clearing Members, Non-Clearing Members with ISA

In this Clearing Circular, ECC would like to inform you about enhancements to the ISA collateral release process and supporting C7 functionality.

### Background

Having reviewed the available models for the segregation of client collateral, ECC will simplify and automate the corresponding collateral release process for Non-Clearing Members (NCMs) set up under ISA, to meet client demand.

### Scope of the enhancement

ECC will remove the requirement for NCM consent for each collateral release request related to the respective ISA collateral pool. This will result in only the Clearing Member (CM) being required to trigger a collateral release from such ISA pool. ECC will limit the collateral release possibility to excess collateral, i.e. collateral which exceeds the margin requirement of the respective ISA client.

Furthermore, it will be possible to directly release excess cash collateral to the CM's nominated T2 account, without requiring any additional booking step via the CM's standard collateral pool.

### Contact

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Internal

For each overnight payment run, automation of this direct release can be set up via the „auto-repay“ function in C7 for each ISA pool.

Simultaneously, the same options and processes are being introduced for ECC's Net Omnibus Segregation (OSA).

Corresponding amendments to provisions 3.4.9 & 3.4.10 of ECC's Clearing Conditions have been announced via ECC Circular 18/2023.

The relevant forms, such as NCM02c for ISAs, are being updated and will be published on ECC's website before **go-live of the enhancement on 1 June 2023**.

### Further information

If you are interested in the setup and/or require additional information, please get in touch with your Key Account Manager or contact the ECC Clearing & Settlement team:

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