

Instruction I-GEN-03/2024

Remuneration applicable to cash collateral

BME CLEARING

4 March 2024

General Instruction

Effective Date: 11 March 2024

Replaces: - I-GEN-03/2022

The Instruction specifies the interest rate to be applied to the remuneration of cash collateral. In addition, the additional spread is specified for Members opting for the non-investment option.

It is modified due to the inclusion of USD as eligible collateral.

This Instruction is published in accordance with the provisions of *the Investment and remuneration of cash collateral 8* section of the 'Posting of Margins' Circular or the one that replaces it.

Cash remuneration will be calculated daily by applying the interest rate for each currency to the collateral posted in cash by Members with BME CLEARING at the end of each session.

Depending on the currency and segment, the interest rate may be benchmarked to a market rate. In this case, the cash remuneration is calculated by applying the daily market rate minus a spread set by BME CLEARING. Alternatively, BME CLEARING may set absolute interest rates for cash remuneration.

The interest rates applicable to cash collateral are as follows:

Currency	Interest rate	Spread (bps)				
		Financial Derivatives	Fixed Income	Equities	Energy	IRS
EUR	€STR	20	20	20	18	15
USD	FED FUND	60	60	60	60	60

The additional spread to be applied to the cash remuneration for Members who communicate to BME CLEARING their wish for the cash not to be invested will be **5 basis points**. This spread only applies to euro cash collateral and will be in addition to the spread set out in the table.

If a Clearing Member does not wish to invest its euro cash collateral, any new application must be made in accordance with the model in Annex I attached to this Instruction and signed by a person in charge of the entity with sufficient power to represent it.

In the case of a Client or a Non-Clearing Member, the application must also be signed by the Clearing Member.

BME CLEARING will settle this amount on a monthly basis, as set out in the 'Posting of Margins' Circular.

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ANNEX I

MODEL NON-INVESTMENT REQUEST DOCUMENT

E-mail address: ClearingCollateral@grupobme.es

REQUEST FOR NON-INVESTMENT OF EURO CASH COLLATERAL

In accordance with Instruction I-GEN-03/2022 Remuneration applicable to cash collateral or any instruction replacing it, I, Mr/Ms in the name and on behalf of [name of member/client] with code [Code] and acting as [Clearing Member/Non-Clearing Member/Client] of BME CLEARING, hereby requests that the cash deposited in BME CLEARING as collateral in euro shall not be invested and shall remain deposited in the account that BME CLEARING maintains with the Eurosystem, TARGET – Banco de España, from the date of receipt of this notification until the date on which its revocation is requested.

Signature

In, at.....

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BME CLEARING

BME CLEARING, S.A.U., con domicilio social en Madrid, Plaza de la Lealtad 1, CIF A-78973864, e inscrita en el Registro Mercantil de Madrid en el Tomo 9.379, Folio 103, Libro 8142, Hoja 87.252.

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