



Rosario, 11<sup>th</sup> October 2016.

## **Notice No. 604 – Special settlement account**

### **I. Definition**

Special settlement account (hereinafter “CEL”, for its acronym in Spanish): it is a registration account requested by a clearing and settlement broker (ALyC, for its acronym in Spanish) aimed to be used by a principal to record trades exclusively for his proprietary portfolio and whose goals consist in segregating the principal’s guarantees in Argentina Clearing and enabling the settlement of guarantees between the principal and the Clearing House.

### **II. Scope**

The principal must use the CEL exclusively for trades with his own funds.

### **III. ALyC's operating requirements**

The ALyC must accredit the operating requirements stated in Annex I.

### **IV. Applicant principal's requirements**

- a) To be a legal person and accredit a minimum shareholders' equity of \$100,000,000.
- b) To be the principal of an ALyC authorized by Argentina Clearing for the registration, clearing and settlement of trades for third-party portfolios.
- c) To enter the [CEL Opening Agreement](#) with an ALyC authorized by Argentina Clearing.
- d) To sign the contract of special guarantee trust for the CEL stated by the Argentina Clearing Board.
- e) To accredit the compliance of the operating suitability requirement as per what is stated in the applicable Notice.
- f) When the demanded margins exceed \$50 million, their 10% must comply with at least one of the following requirements:
  - 1) To be integrated in cash assets or Money Market investment funds.
  - 2) To accredit liquidity policies and/or liquidity agreements with financial entities for such amount.

## **V. Obligations**

The CEL's permanent principal must comply with the obligations stated in this Notice, its modifications and complements, the ones stated in the CEL Opening Agreement and the ones stated in the other internal regulations for principals and participants when it is so expressly established.

In order to accredit the compliance of the minimum shareholders' equity requirement, the CEL's permanent principal must annually submit the financial statements within the fifth month of the accounting year closure, being applicable as per stated in the Notice as regards the minimum shareholders' equity.

## **VI. Available services**

The CEL's permanent principal shall have the following services available:

- AnywherePortfolio (Extranet) for consultation and transactions.
- AnywherePortfolio Business Services® aimed at the communication between the Argentina Clearing system and the principal's back office system.

## **VII. Fees**

- a) The CEL opening and maintenance shall be subject to a monthly maintenance fee of USD 700 on account of registration rights for its operation.
- b) Argentina Clearing shall debit from the ALyC's clearing and settlement account the registration and clearing rights or other concepts resulting from the services provided by Argentina Clearing.

## **VIII. Validity**

This Notice shall govern temporarily until it obtains the approval of the National Securities Commission.

Notice No. 414 is now left ineffective.

Yours Sincerely,

Nicolás V. Baroffi  
General Manager  
**Argentina Clearing S.A.**

## ANNEX I

<b>Category</b>	<b>ALyC's operating requirements</b>	<b>Accreditation</b>
<b>Pre-trade controls</b>	<ul style="list-style-type: none"> <li>- Pre-acceptance risk control of each order.</li> <li>- Totally automated management of the customers' orders.</li> </ul>	To have a tool which allows to measure the pre-trade risk.
<b>Post-trade controls</b>	<ul style="list-style-type: none"> <li>- To have a control board to monitor the risk of each account in real time.</li> <li>- To calculate the margins applicable to each portfolio, as well as the marking-to-markets, profit or loss and premiums.</li> <li>- To make mock trades and prices.</li> </ul>	To have a useful tool for the risk management and control, through an accurate follow-up of the portfolios in real time.
<b>Back office (BO) management</b>	<ul style="list-style-type: none"> <li>- Automatic import of trades.</li> <li>- Generation of portfolios.</li> <li>- Generation of marking-to-markets and profit and loss calculation.</li> <li>- Generation of automatic entries.</li> <li>- Management of the current account per principal.</li> <li>- Generation of reports.</li> <li>- Strict procedure of collections and payments (MtM).</li> </ul>	To have a BO system approved by Argentina Clearing and solid collections and payments procedures.
<b>Liquidity policy</b>	<ul style="list-style-type: none"> <li>- To have liquidity policies and/or liquidity agreements with financial entities.</li> </ul>	Liquidity procedures, liquidity agreements.
<b>Non-compliance policy</b>	<ul style="list-style-type: none"> <li>- To have a policy for different scenarios and/or types of non-compliance.</li> </ul>	Procedures for cases of non-compliance.