

MARKET BULLETIN

REF: Y4877

Title	Additional Securities Limited (ASL) – Change to Collection and Distribution Method
Purpose	To inform Managing Agent of the change in the collection and distribution of funds effective from April 2015.
Type	Scheduled
From	Gary White, Manager, Treasury and Investment Management Finance & Operations Contact details: +44 (0)20 7327 5340 gary.white@lloyds.com
Date	30 March 2015
Deadline	17 April 2015
Related links	

Background

ASL collections are currently funded by market participants in GBP, with the exception of Brazil, Cayman Islands and Switzerland.

Lloyd's has received numerous requests from market participants to amend the ASL collection process so that deposits can be funded in the local currency, where this is an existing settlement currency. This change will facilitate the reduction of foreign exchange exposure for market participants.

New Collection Procedures

With effect from 27/04/2015, ASL collections will be processed in the local currency, where the currency of the deposit is a settlement currency. The settlement of these currencies will follow the same route as all other business processed via Xchanging into Central Accounting and will require the participant to have bank accounts in each of the relevant currencies.

Where market participants already participate in the Currency Conversion Service (CCS), settlement will continue to be processed in GBP.

Market participants **must** sign up to the CCS if they **do not wish to settle in local currency** and/or do not have bank accounts in the relevant currencies.

If you are unsure as to whether you are a member of the CCS please contact donna.broughton@lloyds.com who will be able to check for you.

The following table shows the current settlement currency and the new settlement currency per territory.

ASL Deposit	Current Settlement Currency	New Settlement Currency	Deposit Adjustment
Australia Stat	GBP	AUD	April
Bahamas	GBP	USD	April
Brazil	USD	USD	April
Cayman Islands	USD	USD	July
Grenada	GBP	USD	April
Hong Kong	GBP	HKD	April
Lloyd's Asia	GBP	SGD	July
Namibia	GBP	ZAR	April
Singapore	GBP	SGD	July
St Vincent	GBP	USD	April
Switzerland	CHF	CHF	Quarterly
Trinidad & Tobago	GBP	USD	April

2015 Collection / Distribution

The adjustment periods will remain in line with the current timetable shown in the above table.

Currently statements are only provided when there is an adjustment and at year end. Under the new procedure, statements will be provided quarterly, in a format in line with the current statements issued in respect of the Overseas Trust Funds. Queries in respect of the statement format should be addressed to carolyn.smith@lloyds.com

Transitional Arrangements

The distribution of the 2014 loans will be processed according to the current method with the interest, capital and foreign exchange gain/losses in GBP. The collection of the 2015 loans will be made in local currency (where applicable) or alternatively via CCS.

Any queries or feedback in relation to this market bulletin should be addressed to Gary White on ext 5340 or by email to gary.white@lloyds.com

Gary White
Treasury and Investment Management