Changes to the GC Pooling ECB and INT MXQ baskets

**Contact:** Eurex Repo Sales

**Importance:** Medium priority

**Summary:**

This Functional Information outlines two changes in the GC Pooling Market applicable from March 2, 2020.

**Firstly,** in order to improve the recognition of collateral received in a GC Pooling INT MXQ Basket transaction as High Quality Liquid Assets (HQLA) and consequently allow participants to potentially achieve a more favorable treatment under the Liquidity Coverage Ratio (LCR), Eurex Repo has decided to apply a minimum issue size of EUR 525 million or its equivalent for covered bonds in the INT MXQ Basket.

Updated Eurex Repo's GC Pooling INT MXQ basket definitions:

- Minimum rating requirement of AA- (Relevant rating agencies: Moody’s, S&P, Fitch - worst rating applied) for eligible bonds denominated in: AUD, CAD, CHF, DKK, EUR (only non-ECB eligible), GBP, JPY, NOK, SEK, USD
- **Covered bonds with minimum issue size of EUR 525 million (or EUR equivalent)**

As a result, 224 covered bonds with an issue size below EUR 525 million (or its EUR equivalent) will become ineligible. Please find a draft of the instrument list that will be excluded by March 2, 2020.

**Instruments to be excluded from the GC Pooling INT MXQ Basket – only draft**

**Eligible instrument list of the GC Pooling INT MXQ basket – daily updated**

**Secondly,** since Ireland’s issuer rating was upgraded by external agencies end of last year, Eurex Repo includes Ireland as eligible issuer residence for the GC Pooling ECB Basket. Ireland’s issuer rating is above the minimum rating of the GC Pooling ECB Basket of A-/A3 and therefore 25 Irish government bonds with an issue volume of EUR 139 billion will become eligible.

On the following link you will find the drafted instrument list for eligible Irish government bonds:

**Irish instruments to be included to the GC Pooling ECB Basket – only draft**
Best regards,

Your Eurex Repo Team

sales@eurexrepo.com | Disclaimer | Privacy Notice | Imprint

Eurex Repo GmbH
Managing Directors/Geschäftsführer:
Frank Gast, Matthias Graulich
Gesellschaft mit beschränkter Haftung with registered
seat in/mit Sitz in Frankfurt am Main.
Commercial register/Handelsregister:
Local court/Amtsgericht Frankfurt am Main HRB 49370.