

Example 2. Shortfall in funds held in the U.S.

Customer	Claim	Location(s) customer has consented to having funds held
A	\$100	U.S.
B	€50	U.K.
C	€100	U.K., Germany, or Japan
Location		Actual asset balance
U.S.		\$50
U.K.		€100
Germany		€50

Note: Conversion Rates: €1=\$1.

REDUCTION IN CLAIMS FOR GENERAL SHORTFALL

There is a shortfall in the funds held in the U.S. such that only 1/2 of the funds are available. Convert the claim of each futures customer or Cleared Swaps Customer in each currency to U.S. Dollars:

Convert each customer's claim in each currency to U.S. Dollars:

Customer	Claim	Conversion rate	Claim in US\$
A	\$100	1.0	\$100
B	€50	1.0	50
C	€100	1.0	100
Total			250.00

Determine assets available for distribution to futures customers or Cleared Swaps Customers, converting to U.S. dollars:

Location	Assets	Conversion rate	Assets in U.S. dollars	Shortfall due to sovereign action percentage	Actual shortfall due to sovereign action	Amount actually available
U.S.	\$50	1.0	\$50.00			\$50
U.K.	€100	1.0	100			100
Germany	€50	1.0	50			\$50
Total			200.00			200.00

Determine the percentage of shortfall that is not attributable to sovereign action:
Shortfall Percentage = $(1 - (200/250)) = (1 - 80\%) = 20\%$.