

Date: [Insert Date]

To: [Counterparty Name]

Address: [Counterparty Address]

Attention: [Contact Name/Credit Department]

RE: NOTICE OF COUNTERPARTY CREDIT RISK LIMIT BREACH

Dear [Contact Name],

This letter serves as formal notification that as of [Date of Breach], the credit exposure of [Your Company Name] to [Counterparty Name] has exceeded the pre-approved credit limits established under our agreement dated [Agreement Date].

Breach Details:

- **Approved Credit Limit:** [Amount/Currency]
- **Current Exposure:** [Amount/Currency]
- **Excess Amount:** [Amount/Currency]
- **Type of Limit:** [e.g., Settlement Limit / Pre-Settlement Exposure / Tenor Limit]

In accordance with our Risk Management Policy, we require immediate action to address this excess. Please take one or more of the following steps by [Deadline Date/Time]:

- Provide additional collateral to cover the excess exposure.
- Settle outstanding obligations to reduce the current exposure below the limit.
- Provide a written explanation and a timeline for remediation.

Please be advised that until this breach is rectified, [Your Company Name] reserves the right to suspend further trading activity, withhold new credit extensions, or take further action as permitted under our governing agreements.

Please acknowledge receipt of this notice and provide your proposed resolution plan to [Contact Email/Phone Number] by [Time].

Sincerely,

[Your Signature]

[Your Name]

[Your Title]

[Your Department]

[Your Company Name]