



eurex clearing circular 012/17

Date: 3 February 2017
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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FX-Futures: Amendments to the Clearing Conditions and other related documents of Eurex Clearing AG

Contact: Your Clearing Key Account Manager, memberservices@eurexclearing.com

Content may be most important for:

➔ All departments

Attachments:

1. Amended sections of the Clearing Conditions of Eurex Clearing AG (General Provisions)
2. Amended sections of the Clearing Conditions of Eurex Clearing AG (Transactions Concluded at Eurex Deutschland and Eurex Zürich)
3. Amended sections of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation)

Summary:

This circular contains information with respect to Eurex Clearing AG's (Eurex Clearing) service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) and other related documents regarding the following topics:

1. Clarification regarding mandatory business hours and Pre-Trade Limits, related to the 23h trading and clearing initiative.
2. Clarification regarding requirements to qualified back office staff related to the 23h trading and clearing initiative.
3. Adaptation of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) in relation to the 23h trading and clearing initiative.

The amended sections of the Clearing Conditions and the General Conditions for Participation, as decided by the Executive Board of Eurex Clearing, are attached to this circular.

The planned extension of the trading and clearing hours is subject to regulatory approval.

The amendments will come into effect on **27 February 2017**.

FX-Futures: Amendments to the Clearing Conditions and other related documents of Eurex Clearing AG

This circular contains information with respect to Eurex Clearing AG's (Eurex Clearing) service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) and other related documents regarding the following topics:

1. Clarification regarding the mandatory business hours and Pre-Trade Limits, related to the 23h trading and clearing initiative.
2. Clarification regarding the requirements to qualified back office staff related to the 23h trading and clearing initiative.
3. Adaptation of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) in relation to the 23h trading and clearing initiative.

The amended sections of the Clearing Conditions and the General Conditions for Participation, as decided by the Executive Board of Eurex Clearing, are attached to this circular.

The planned extension of the trading and clearing hours is subject to regulatory approval.

The amendments will come into effect on 27 February 2017.

1. Clarification regarding mandatory business hours and Pre-Trade Limits, related to the 23h trading and clearing initiative

Clearing Members, Clearing Agents, Non-Clearing Members, Registered Customers, FCM Clients and Basic Clearing Members are obliged to procure that they are prepared to handle Clearing-related business.

In case that a Clearing Member or Non-Clearing Member is involved in the clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, it is required to procure that they are prepared to handle Clearing-related business on each Business Day for these instruments from 00:00 until 23:00 CET.

It is also required to ensure the availability of the emergency contact for the extended trading hours, too.

For Eurex Transactions, the Clearing Member and a Non-Clearing Member may agree on the limitation of orders or quotes, which may be entered into the systems of a market by such Non-Clearing Member or the Clearing Member ("**Pre-Trade Limits**"). In case that a Clearing Member or Non-Clearing Member is involved in the clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, the criteria for the Pre-Trade Limits as stipulated in Chapter I Part 1 Number 12.2.2. (3) of the Clearing Conditions are not available between 00:00 and 07:30 CET for an automatic limitation by the system.

2. Clarification regarding the requirements to qualified back office staff related to the 23h trading and clearing initiative

With regard to the prerequisites to be fulfilled within the scope of the granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply. The applicant shall meet additional requirements, e.g. evidence of its admission to trading at the Eurex Exchanges for FX Futures **and/or** FX Options.

In addition, sufficiently qualified back office staff shall be physically present and available via telephone and fax during the Business Day until 19:00 CET. From 19:00 CET to until 22:30 CET, the Non-Clearing Member has to ensure that a qualified back office staff member is available via telephone.

In case a Clearing Member or a Non-Clearing Member is involved in the clearing of instruments, which are admitted to trading at the Eurex Exchanges and are available for 23 hours trading, it is required to ensure the availability of the sufficiently qualified staff member also for the extended trading hours.

3. Adaptation of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) in relation to the 23h trading and clearing initiative

As FX Options are not tradable on T7/FX next to the FX Futures, the Vola Trade Service will be not offered for these products.

The off-book periods of use will be extended for FX Futures according the 23h Trading and Clearing hours.

Pursuant to Chapter I Part 1 Number 17.2.2 of the Clearing Conditions, the amendments to the Clearing Conditions communicated with this circular are deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer affected by such amendment unless they object in writing to Eurex Clearing at least fifteen (15) business days prior to the actual effective date of such amendment of the Clearing Conditions.

As of the effective date, the full versions of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

[Resources > Rules and Regulations > Clearing Conditions](#)

As of the effective date, the full versions of the amended Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) will be available for download on the Eurex Clearing website under the following link:

[Resources > Rules and Regulations > Conditions for Utilization of the Eurex Trade Entry Services](#)

Members who wish to participate in trading of FX Futures within the trading hour extension to 23h can submit the form "Application for Participation in Trading Eurex T7/ FX-Futures -Options / 23h Trading". The form can be downloaded from the Eurex website www.eurexexchange.com under the following link:

[Resources > Forms > Eurex FX Derivatives > Application for participation in Trading Eurex FX-Futures and -Options](#)

It is planned that trading of FX Futures will take place exclusively on T7/FX from 27 February 2017 onwards.

If you have any questions or require further information, please contact Your Clearing Key Account Manager or memberservices@eurexclearing.com.

3 February 2017

Attachment 1 to Eurex Clearing circular 012/17

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 27.02.2017

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 27.02.2017
	Page 1

AMENDMENTS ARE MARKED AS FOLLOWS:
 INSERTIONS ARE UNDERLINED,
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Part 1 General Clearing Provisions

1 General Rules

[...]

1.2.6 Mandatory Business Hours

Clearing Members, Clearing Agents, Non-Clearing Members, Registered Customers, FCM Clients and Basic Clearing Members are obliged to procure that they are prepared to handle Clearing-related business, including the assessment of reports and notifications in accordance with Number 4.6, on each Business Day (in the case of Clearing Members or Clearing Agents from 7:00 hours until 23:30 hours Frankfurt am Main time CET).

However, in case that a Clearing Member or Non-Clearing Member is involved in the clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, it is required to procure that they are prepared to handle Clearing-related business, including the assessment of reports and notifications in accordance with Number 4.6, on each Business Day for these instruments from 00:00 hours until 23:00 hours CET.

1.2.7 Default Rules

[...]

2 Clearing Members

[...]

2.1.2 General Prerequisites for Clearing Licenses

- (1) A Clearing License for a Transaction Type may only be granted to an applicant if such applicant meets the general prerequisites pursuant to Paragraphs (2) to (6) below and the special prerequisites set forth in Chapters II-IX for the relevant Transaction Type. This Number 2.1.2 shall, unless otherwise provided in Part 6 Number 2, not apply to applicants for a Basic Clearing Member Clearing License.

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 27.02.2017
	Page 2

This Number 2.1.2 shall also not directly apply to applicants for a Direct Clearing License; Number 2.1.2 Paragraphs (1) to (5) of the Basic Clearing Member Provisions shall apply *mutatis mutandis* in respect of the granting of a Direct Clearing License.

[...]

(5) The applicant shall provide evidence for compliance with the following requirements:

- (a) Technical connection to the systems of Eurex Clearing AG and, unless incorporated in the relevant Clearing Agreement, execution of the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (Connection Agreement) under inclusion of the General Terms and Conditions on Technical Connection to the Clearing EDP of Eurex Clearing AG.

[...]

- (g) Each Clearing Member shall appoint at least one of his employees as emergency contact for Eurex Clearing AG to initiate necessary measures in emergency cases who shall be available during regular business hours; the Clearing Member needs to register the contact vis-à-vis Eurex Clearing AG. In case that a Clearing Member or Non-Clearing Member is involved in the clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, it is required to ensure the availability of the emergency contact also for the extended trading hours.

(6) Evidence of compliance with the general prerequisites set forth in Paragraphs (2) – (5) above must be provided upon submission of the application.

[...]

[...]

12 Other Agreements between Clearing Members and Non-Clearing Members with regard to the Clearing of Eurex Transactions and FWB Transactions

12.1 Additional Terms

[...]

12.2 Limitation of Orders or Quotes for Eurex Transactions (Pre-Trade Limits)

12.2.1 For Eurex Transactions, the Clearing Member and a Non-Clearing Member may agree on the limitation of orders or quotes which may be entered into the systems of a Market by such Non-Clearing Member or the Clearing Member (“**Pre-Trade Limits**”).

12.2.2 Pre-Trade Limits may include one or more restrictions or a combination thereof listed hereinafter:

(1) [...]

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 27.02.2017
	Page 3

[...]

- (3) Maximum aggregate margin requirement or maximum margin requirement with respect to specific Eligible Margin Assets, which in each case the Clearing Member is obliged to fulfil in accordance with the Clearing Conditions as a result of the conclusion of Transactions in respect of the Non-Clearing Member.

However, in case that a Clearing Member or Non-Clearing Member is involved in the clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, the criteria for the Pre-Trade Limits as stipulated in this Paragraph 3 are not available between 0.00 a.m. and 07:30 a.m. for an automatic limitation by the system.

- 12.2.3 Upon request by its Clearing Member, a Non-Clearing Member is obliged to agree with such Clearing Member on Pre-Trade Limits. In this case, the relevant Clearing Member may enter the Pre-Trade Limits agreed upon with their respective Non-Clearing Members into the system.

[...]

Attachment 2 to Eurex Clearing circular 012/17

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 27.02.2017

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 27.02.2017
	Page 1

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Part 1 General Provisions

- (1) Eurex Clearing AG shall carry out the settlement respectively and clearing of transactions concluded at the Eurex Exchanges (“**derivatives transactions**”), provided that the futures and Options contracts underlying the respective derivatives transaction or the securities to be delivered as a result of the execution of these derivatives transactions can be settled by Eurex Clearing AG and by the respective Settlement Location and provided that the prerequisites set out in Paragraph 2 below are fulfilled.

[...]

1.1 Clearing Licenses

1.1.1 Granting of Clearing Licenses

[...]

1.1.2 Prerequisites for Clearing Licenses

- (1) With regard to the prerequisites to be fulfilled within the scope of the granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply.
- (2) The applicant shall meet the following additional requirements:
- (a) Evidence of an account for cash payments in Euro:
- RTGS Account, or
 - SECB Account and euroSIC Account,

[...]

- (f) Evidence of its admission to trading at the Eurex Exchanges for FX Futures and/or FX Options. If such evidence is not provided, Eurex Clearing AG will not carry out the clearing of transactions of the respective Clearing Member and its respective Non-Clearing Members or Registered Customers in products according to Sentence 1. In this case, Chapter I Number 1.2.2 does not apply,

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 27.02.2017
	Page 2

and the Eurex Exchanges shall exclude the concerned Clearing Member and its Non-Clearing Members from the trading of such products.

- _(g) Evidence of an interest rate derivative clearing license for OTC-Interest Rate Derivative Transactions denominated in Euros pursuant to Chapter VIII Part 3 of the Clearing Conditions. If such evidence is not provided, Eurex Clearing AG will neither carry out the clearing of transactions in Interest Rate Swap Futures Contracts of the respective Clearing Member nor the clearing of such transactions by this Member's respective Non-Clearing Members or Registered Customers. In this case, Chapter I Number 1.2.2 shall not be applicable and the Eurex Exchanges will exclude the respective Clearing-Member as well as its Non-Clearing-Members from the trade in such products.

[...]

1.2 Margin Requirement

[...]

1.10 Requirements for Non-Clearing Members regarding Qualified Back Office Staff Members

A Non-Clearing Member is required to use at least one sufficiently qualified (as defined and published by Eurex Clearing AG pursuant to Chapter I Part 1 Number 16.1) staff member in the back-office.

The sufficiently qualified staff member shall be physically present and available via telephone and fax during the Business Day until 19:00 CET. From 19:00 CET to until 22:30 CET, the Non-Clearing Member has to ensure that a sufficiently qualified staff member is available via telephone.

In case that a Clearing Member or a Non-Clearing Member is involved in the clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, it is required to ensure the availability of the sufficiently qualified staff member also for the extended trading hours.

A Non-Clearing Member is not required to have a qualified staff member in the back-office if such Non-Clearing Member outsources all its back-office functions pursuant to Chapter I Part 1 Number 15.2 to its Clearing Member or to an Insourcer that has a qualified clearing staff member.

[...]

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[...]

9.5 Vola Trade Service

Eurex Clearing AG has admitted the following products to the Vola Trade Service:

Options Contract	Futures Contract
Sterling – Swiss Franc Options (OCPF)	Sterling – Swiss Franc Futures (FCPF)
Sterling – US Dollar Options (OCPU)	Sterling – US Dollar Futures (FCPU)
Euro – Sterling Options (OCEP)	Euro – Sterling Futures (FCEP)
Euro – Swiss Franc Options (OCEF)	Euro – Swiss Franc Futures (FCEF)
Euro – US Dollar Options (OCEU)	Euro – US Dollar Futures (FCEU)
US Dollar – Swiss Franc Options (OCUF)	US Dollar – Swiss Franc Futures (FCUF)
Australian Dollar – US Dollar Options (OCAU)	Australian Dollar – US Dollar Futures (FCAU)
Australian Dollar – Japanese Yen Options (OCAY)	Australian Dollar – Japanese Yen Futures (FCAY)
Euro – Australian Dollar Options (OCEA)	Euro – Australian Dollar Futures (FCEA)
Euro – Japanese Yen Options (OCEY)	Euro – Japanese Yen Futures (FCEY)
US Dollar – Japanese Yen Options (OCUY)	US Dollar – Japanese Yen Futures (FCUY)
New Zealand Dollar – US Dollar Options (OCNU)	New Zealand Dollar – US Dollar Futures (FCNU)
[...]	[...]

[...]

11.3 FX Futures Contracts

The following combinations of underlying FX instruments and FX Futures Contracts (transaction creating a position) have been admitted by Eurex Clearing AG:

Admitted Underlyings (Reporting Transaction)	Transaction creating a position
[...]	[...]
Non-Eurex* Australian Dollar - US Dollar Futures, Spot, Non-Deliverable Forwards (NDF), FX Swaps, Cross Currency (Basis) Swaps and Currency Swaptions	Eurex Australian Dollar – US Dollar <u>Futures</u>
Non-Eurex* Australian Dollar- Japanese Yen Futures, Spot, Non-Deliverable Forwards (NDF), FX Swaps, Cross Currency (Basis) Swaps and Currency Swaptions	Eurex Australian Dollar - Japanese Yen <u>Futures</u>
Non-Eurex* Euro-Australian Dollar Futures, Spot, Non-Deliverable Forwards (NDF), FX Swaps, Cross Currency (Basis) Swaps and Currency Swaptions	Eurex Euro - Australian Dollar <u>Futures</u>
Non-Eurex* Euro-Japanese Yen Futures, Spot, Non-Deliverable Forwards (NDF), FX Swaps, Cross Currency (Basis) Swaps and Currency Swaptions	Euro - Japanese Yen <u>Futures</u>
Non-Eurex* US Dollar-Japanese Yen Futures, Spot, Non-Deliverable Forwards (NDF), FX Swaps, Cross Currency (Basis) Swaps and Currency Swaptions	US Dollar - Japanese Yen <u>Futures</u>

Non-Eurex* New Zealand Dollar-US Dollar Futures, Spot, Non-Deliverable Forwards (NDF), FX Swaps, Cross Currency (Basis) Swaps and Currency Swaptions	New Zealand Dollar - US Dollar <u>Futures</u>
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* Non-Eurex FX Futures in this sense are all FX futures transactions traded outside of the Eurex Exchanges

[...]

Annex A to the General Conditions for Participation:

Off-Book Periods of Use (all times in CET)

Futures Contracts

[...]

FX (Foreign Exchange) Futures Contracts

Product	Product ID	Start ¹ – End*
Sterling - Swiss Franc Futures	FCPF	<u>0008:00-2322:00</u>
Sterling - US Dollar Futures	FCPU	<u>0008:00-2322:00</u>
Euro - Sterling Futures	FCEP	<u>0008:00-2322:00</u>
Euro - Swiss Franc Futures	FCEF	<u>0008:00-2322:00</u>
Euro - US Dollar Futures	FCEU	<u>0008:00-2322:00</u>
US Dollar - Swiss Franc Futures	FCUF	<u>0008:00-2322:00</u>
Australian Dollar – US Dollar <u>Futures</u>	FCAU	<u>0008:00-2322:00</u>
Australian Dollar - Japanese Yen <u>Futures</u>	FCAY	<u>0008:00-2322:00</u>
Euro - Australian Dollar <u>Futures</u>	FCEA	<u>0008:00-2322:00</u>
Euro - Japanese Yen <u>Futures</u>	FCEY	<u>0008:00-2322:00</u>
US Dollar - Japanese Yen <u>Futures</u>	FCUY	<u>0008:00-2322:00</u>
New Zealand Dollar - US Dollar <u>Futures</u>	FCNU	<u>0008:00-2322:00</u>

* On the expiry day of a series (third Wednesday of the expiry month) the entry of trades in the expiring front month contract using the OTC Block Trade Entry Functionality is possible until 15:00 CET.

[...]

¹ On the first trading day after weekend or holiday the Off-Book Period of Use starts at 00:30 CET