



eurex clearing circular 016/17

Date: 9 February 2017
Recipients: All Clearing Members, Non-Clearing Members, Basic Clearing Members,
 FCM Clients and Registered Customers of Eurex Clearing AG
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Amendments to the Clearing Conditions of Eurex Clearing AG

Contact: Your Key Account Manager Clearing

Content may be most important for:

➡ All departments

Attachments:

1.-2. Amended sections of the Clearing Conditions of Eurex Clearing AG

Summary:

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

1. Amendment of Repo market (Special & GC) trading cut-off times for trades with same-day settlement
2. Extension of times for technical settlement of GC Pooling® trades in Pound Sterling (GBP)
3. Introduction of overnight trading terms with same-day settlement of the Front Leg for GC Pooling® trades in Pound Sterling (GBP) and Swiss franc (CHF)
4. Alignment of the GC Pooling® Equity basket trading times to the fixed-income basket trading times
5. Implementation of a right for Eurex Clearing to request the replacement of certain Eligible Margin Assets

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

The amendments with regard to topics 1, 2, and 4 will come into effect on **1 March 2017**, the amendments with regard to topics 3 and 5 will come into effect on **6 March 2017**.

Amendments to the Clearing Conditions of Eurex Clearing AG

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

1. Amendment of Repo market (Special & GC) trading cut-off times for trades with same-day settlement
2. Extension of times for technical settlement of GC Pooling® trades in Pound Sterling (GBP)
3. Introduction of overnight trading terms with same-day settlement of the Front Leg for GC Pooling® trades in Pound Sterling (GBP) and Swiss franc (CHF)
4. Alignment of the GC Pooling® Equity basket trading times to the fixed-income basket trading times
5. Implementation of a right for Eurex Clearing to request the replacement of certain Eligible Margin Assets

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

The amendments with regard to topics 1, 2, and 4 will come into effect on 1 March 2017, the amendments with regard to topics 3 and 5 will come into effect on 6 March 2017.

Terms used and not otherwise defined in this circular shall have the meanings ascribed to them in the Clearing Conditions.

1. Amendment of Repo market (Special & GC) trading cut-off times for trades with same-day settlement

With effect from 1 March 2017, Eurex Repo GmbH will amend the trading cut-off times for transactions in the Repo market segment (Special & GC) which are cleared by Eurex Clearing AG.

	Until 28 February 2017	As of 1 March 2017
Internal Repo Trades (Clearing Members with accounts in the same settlement location)	07:30 – 15:30 (CET)	07:30 – 15:15 (CET)
External Repo Trades (Clearing Members with accounts in different settlement locations)	07:30 – 10:30 (CET)	07:30 – 14:45 (CET)

Trading times for the GC Pooling® market will remain unchanged.

2. Extension of times for technical settlement of GC Pooling® trades in Pound Sterling (GBP)

With effect from 1 March 2017, the technical settlement window for GC Pooling® trades in Pound Sterling (GBP) will be extended from 07:00 – 12:45 CET to 07:00 – 17:30 CET.

However, Clearing Members are still requested to provide cash or securities for settlement until 11:30 CET, or respectively within 30 minutes after trade conclusion for trades with same-day settlement. The target settlement time is unchanged. In case of recurring non-compliance with the target settlement time, Eurex Clearing may charge a contractual penalty.

3. Introduction of overnight trading terms with same-day settlement of the Front Leg for GC Pooling® trades in Pound Sterling (GBP) and Swiss franc (CHF)

With effect from 6 March 2017, Eurex Repo GmbH introduces overnight trading terms with same-day repo Front Leg settlement for GC Pooling® trades in British Pound (GBP) and Swiss franc (CHF).

Currency	Trading time for trades with same-day settlement
GBP	07:30 CET – 16:30 CET
CHF	07:30 CET – 11:00 CET

Clearing Members who trade overnight terms are requested to provide cash or securities for settlement 30 minutes after trade conclusion, at the latest. This target settlement time for overnight terms is applicable for all available GC Pooling® currencies (euro, U.S. dollar, Pound Sterling and Swiss franc).

Non-compliance with the target settlement time can be sanctioned with a contractual penalty.

To reflect the changes, the following provisions in the Clearing Conditions will be amended as outlined in Attachment 1, effective March 6 2017:

- Chapter IV Part 2 Number 2.2 (2) (d).

4. Alignment of the GC Pooling® Equity basket trading times to the fixed-income basket trading times

With effect from 1 March 2017, Eurex Repo GmbH aligns the trading times for trades with same-day settlement in the GC Pooling® Equity basket (DE000A1EZNP6) with the trading times of the fixed-income GC Pooling® baskets.

The alignment improves the possibility for intraday financing of European blue-chip equities or for intraday cash investments utilizing those securities as collateral.

The settlement times for GC Pooling® are not affected and are still the same for all baskets.

The following table provides an overview of all relevant GC Pooling® trading and settlement times as of 1 March 2017:

Currency	Trading				Settlement					
	Non Overnight Terms		Overnight/Sameday		Non Overnight Terms - Front- & Termlegs, Overnight Terms - Termlegs			Overnight Terms - Frontlegs		
	Start	End	Start	End	Start	End	Target	Start	End	Target
EUR	07:30	18:00	07:30	17:00*	10:00**	17:40***	10:45****	07:30	17:40***	30 min after trade conclusion
USD	07:30	18:00	07:30	16:30	14:30	17:30*****	15:00	14:30	17:30*****	15:00, or 30 min after trade conclusion if traded after 14:30
CHF	07:30	18:00	07:30	11:00	07:00	12:45	11:30	07:30	12:45	30 min after trade conclusion
GBP	07:30	18:00	07:30	16:30	07:00	17:30*****	11:30	07:30	17:30*****	30 min after trade conclusion

Deviations for Select Invest	
*	14:00
**	Frontleg: 07:00 / upon trade novation. Termleg: 10:00
***	15:30
****	Frontleg: 30 minutes after novation. Termleg: 10:45
*****	17:00

5. Implementation of a right for Eurex Clearing to request the replacement of certain Eligible Margin Assets

In exceptional cases, when Eurex Clearing becomes aware of circumstances which justify a higher risk assessment of Eurex Clearing with respect to a Clearing Member, Basic Clearing Member or FCM Clearing Member, or unanticipated market developments, which have an adverse impact on actually delivered Eligible Margin Assets, Eurex Clearing AG shall have the right to request the delivery of other specific Eligible Margin Assets as replacement for Eligible Margin Assets, which have been actually delivered to Eurex Clearing.

Further, if a Clearing Member, Basic Clearing Member or FCM Clearing Member requests the redelivery or release of specific Eligible Margin Assets, Eurex Clearing shall have the right to refuse the redelivery or release of the requested assets provided that Eurex Clearing becomes aware of circumstances, which justify a higher risk assessment of Eurex Clearing with respect to the Clearing Member, Basic Clearing Member or FCM Clearing Member, or unanticipated market developments, which have an adverse impact on actually delivered Eligible Margin Assets,

To reflect the changes, the following provision will be added as outlined in Attachment 2, effective 6 March 2017:

- Chapter I Part 1 Number 3.4

As of the corresponding effective dates, the full version 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

Pursuant to Chapter I Part 1 Number 17.2.2 and Number 17.2.6 of the Clearing Conditions, the amendments to the Clearing Conditions communicated with this circular are deemed to have been accepted by each Clearing Member, Basic Clearing Member, FCM Clearing Member, Non-Clearing Member and each Registered Customer and FCM Client 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.

If you have any questions or require further information, please contact your Key Account Manager Clearing.

9 February 2017

Chapter IV of the Clearing Conditions of Eurex Clearing AG

Clearing of Transactions at Eurex Repo GmbH

(Eurex Repo)

As of 06.03.2017

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 2 Clearing of Transactions at Eurex Repo GmbH

[...]

2.2 General Provisions

[...]

- (2) The procedure for delivery and payment resulting from Eurex Repo Transactions, the following provisions shall apply in addition to Chapter I Part 1 Numbers 1.2.5 and 1.4:

[...]

- (d) Delivery and payment with regard to GC Pooling Repo transactions:

[...]

With regard to GC Pooling transactions settled in Euro on a Business Day other than the trade date, any delivery or payment incumbent on the Clearing Member or Basic Clearing Member must be made available for settlement in such a way that the Clearing Member or Basic Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG for the relevant day of performance during the first Same Day Settlement run of the day ("SDS1") of Clearstream Banking AG. With regard to GC Pooling Transactions, which are settled in ~~U.S. Dollar~~Euro and whose trade date equals the settlement date of the Front Leg, any delivery or payment incumbent on the Clearing Member or Basic Clearing Member must be made available for settlement in such a way that the Clearing Member or Basic Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG no later than 30 minutes after the conclusion of the GC Pooling Transaction.

[...]

With regard to GC Pooling transactions settled in currencies other than Euro or U.S. Dollar on a Business Day other than the trade date, any delivery or

payment incumbent on the Clearing Member or Basic Clearing Member must be made available for settlement in such a way that the Clearing Member or Basic Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG until 11:30 CET on the relevant day of performance.

With regard to GC Pooling Transactions, which are settled in currencies other than Euro or U.S. Dollar and whose trade date equals the settlement date of the Front Leg, any delivery or payment incumbent on the Clearing Member or Basic Clearing Member must be made available for settlement in such a way that the Clearing Member or Basic Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG in a way that there is a fulfilment no later than 30 minutes after the conclusion of the GC Pooling Transaction.

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 06.03.2017

THE CLEARING CONDITIONS WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

Part 1 General Clearing Provisions

[...]

3 General Provisions regarding Margin

[...]

3.2 Eligible Margin Assets and Valuation

[...]

3.2.4 If Eurex Clearing AG becomes aware of circumstances, which justify a higher risk assessment of Eurex Clearing AG with respect to the Clearing Member, Basic Clearing Member or FCM Clearing Member (in accordance with the FCM Clearing Member Guarantee), or unanticipated market developments, which have an adverse impact on actually delivered Eligible Margin Assets, Eurex Clearing AG is entitled to request at any time and in its discretion from the Clearing Member, Basic Clearing Member or FCM Clearing Member in respect to the Elementary Proprietary Margin, Elementary Omnibus Margin, Segregated Margin, Net Omnibus Margin, FCM Client Margin or Basic Clearing Member Margin (as applicable) under the relevant Standard Agreement the delivery of other Eligible Margin Assets as specified by Eurex Clearing AG as replacement for Eligible Margin Assets which have been actually delivered to Eurex Clearing AG.

(1) The request pursuant to sentence 1 shall be made in writing and shall include the specification of the relevant Eligible Margin Assets to be delivered, their value, and a reasonable period of time within which such Eligible Margin Assets shall actually be delivered to Eurex Clearing AG.

(2) If the relevant Eligible Margin Assets requested pursuant to sentence 1 have been actually delivered to Eurex Clearing AG, the Clearing Member, Basic Clearing Member or FCM Clearing Member may request the release or redelivery of other

Eligible Margin Assets in accordance with the relevant provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the Net Omnibus Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable.

- (3) To the extent Eligible Margin Assets requested pursuant to sentence 1 have not been delivered within the specified period of time, Eurex Clearing AG shall be entitled to directly debit the relevant Clearing Member Cash Account, Basic Clearing Member Cash Account, or U.S. Clearing Member Cash Account in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions in an amount equal to the amount of Eligible Margin Assets requested pursuant to sentence 1.
- (4) If a Clearing Member, Basic Clearing Member or FCM Clearing Member requests the redelivery or release of Eligible Margin Assets in accordance with the relevant provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the Net Omnibus Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable, Eurex Clearing AG is entitled to refuse the redelivery or release of specific Eligible Margin Assets in its own discretion, provided that Eurex Clearing AG becomes aware of circumstances, which justify a higher risk assessment of Eurex Clearing AG with respect to the Clearing Member, Basic Clearing Member or FCM Clearing Member), or unanticipated market developments, which have an adverse impact on actually delivered Eligible Margin Assets. Eurex Clearing AG shall inform the relevant Clearing Member, Basic Clearing Member or FCM Clearing Member about its decision to refuse the redelivery or release immediately.

[...]
