

**Eurex Clearing AG**  
**ECAG Rule Certification 008-23**  
**February 28, 2023**

1. The text of the proposed amendments to the Clearing Conditions (“Clearing Conditions”) of Eurex Clearing AG (“Eurex Clearing”), Price List (“Price List”) of Eurex Clearing, FCM Default Rules (“FCM Default Rules”) of Eurex Clearing, and FCM Regulations (“FCM Regulations”) of Eurex Clearing is appended as Attachment A. Any additions are underlined and any deletions are struck through.

2. The date of intended implementation for Amendments A, B, C, E, and F below is April 3, 2023.

Amendment D below is subject to a consultation process (“Consultation”); the Consultation will end upon the expiry of March 27, 2023 (“Consultation Period”). The planned effective date of Amendment D is May 1, 2023, depending on the outcome of the Consultation, which will be communicated in a separate Eurex Clearing circular.

3. Attached please find a certification that: (1) these amendments comply with the Commodity Exchange Act (the “Act”), and the Commission’s regulations thereunder; and (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <https://www.eurex.com/ec-en/rules-regs/regulations/cftc-dco-filings>.

4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appears below.

5. There were no opposing views expressed regarding these amended rules.

6. Confidential treatment is not requested.

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CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE PROPOSED RULE AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION’S REGULATIONS THEREUNDER

Eurex Clearing is proposing the below amendments to the Clearing Conditions, Price List, FCM Default Rules, and FCM Regulations. For avoidance of doubt, Amendments A, B, C, E, and F relate to products, which Eurex Clearing clears outside the scope of its DCO license, which applies only to swaps.

**A. Access of the Trading Surveillance Office of Eurex Deutschland to the clearing system of Eurex Clearing**

The Management Board of Eurex Deutschland may set position limits for Eurex Transactions (i.e., listed contracts) to ensure orderly trading. To appropriately monitor compliance with these position limits, the Trading Surveillance Office of Eurex Deutschland requires access to the position data of the Trading Participants held at Eurex Clearing. The proposed amendments allow for such access.

## **B. Adjustment of Repo Transactions Fees for ISA Direct Light License Holders**

The proposed amendments adjust the Transaction fee for GC Pooling Select Invest Repo Transactions for ISA Direct Light License Holders to 0.0038% p.a. or a minimum fee of EUR 15, CHF 17.00, GBP 14.00, or USD 17.00, respectively.

## **C. Introduction of a Service Fee for change of Netting Method**

Currently, if a Clearing Member requests a change in their Master Data, a Service Fee is charged for the operational effort and is reflected accordingly in the Price List. With the migration of the Repo Market to C7 SCS, there is the possibility for Repo Clearing Members to change the applicable Netting Method from the Dual Instruction Netting Method to the Single Instruction Netting Method and vice versa. The proposed amendments introduce a Service Fee for changing the Netting Method into the Price List amounting to EUR 100.00.

## **D. Default Management: Introduction of Residual Settlement for Default Management Hedging Auctions and further clarifications – Consultation**

The proposed amendments introduce a Residual Settlement for Hedging Auctions in order to harmonize the process with the Default Management Liquidation Auction.

Mandatory Hedging Auction Participants, who have not provided valid Bids in a Hedging Auction, are subject to the juniorization of their Default Fund Contributions. The Residual Settlement process offers such Non-Bidding Hedging Auction Participants the opportunity to enter into a DM Hedging Transaction with Eurex Clearing at the highest accepted Hedging Auction price, thereby avoiding the juniorization of their Contributions to the Default Fund.

For Default Management Liquidation Auctions and Hedging Auctions, Eurex Clearing will offer residual units remaining after partially successful Hedging Auctions to each Non-Bidding Hedging Auction Participant on a pro-rata basis at the highest accepted Hedging Auction price. Due to the applicable rounding mechanism, Eurex Clearing may not be able to fill each accepted offer. The proposed amendments clarify that the Default Fund Contribution will not be juniorized as long as the offer is accepted by the relevant Non-Bidding Hedging Auction Participant.

Lastly, the proposed amendments provide some minor changes with regard to the definition of Mandatory Auction Participants.

## **E. ISA Direct billing: Amendment to the ISA Direct Clearing Agreement**

With respect to the ISA Direct offering, the proposed amendments clarify that the majority of the clearing-related fees are always debited from the cash account of the Clearing Agent, irrespective of whether an ISA Direct Clearing Member is using an own cash account. These ISA Direct-related fees are included in the Clearing Agent's invoice.

#### **F. T2-T2S Consolidation: Amendments based on the new TARGET Guideline**

The proposed amendments update the Clearing Conditions due to the T2-T2S Consolidation, using the terminologies in the new TARGET Guideline of the ECB.

#### **G. Interest Rate Derivatives (“IRD”): Amendments in order to clarify clearing eligibility for Zero Coupon Inflation Swaps (“ZCIS”) and Polish Zloty (“PLN”)-denominated Interest Rate Derivatives**

The amendments to the Clearing Conditions and FCM Regulations provide further clarifications that: (i) for OTC IRS U.S. Clearing Members, which may clear OTC Interest Rate Derivative Transactions for Own Accounts, clearing of ZCIS, however, is not offered; and (ii) for FCM Clearing Members, clearing of ZCIS and PLN-denominated IRD is not offered.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in Eurex Clearing Circular 009-23, which is appended as Attachment A.

Eurex Clearing has identified the following derivatives clearing organization (“DCO”) Core Principles as potentially being relevant to the above amendments:

1. DCO Core Principle C (Participant and Product Eligibility): The proposed amendments will comply with DCO Core Principle C because the amendments change certain fees for repo products and clarify certain fees for the ISA Direct Model, both of which Eurex Clearing clears outside the scope of its DCO license, and all products cleared by Eurex Clearing under its DCO license will continue to be subject to appropriate standards in compliance with this Core Principle.

Additionally, the proposed amendments clarify clearing eligibility for OTC IRS U.S. Clearing Members and FCM Clearing Members in terms of certain products and currencies not offered, and Eurex Clearing’s U.S. swaps offering will continue to comply with this Core Principle

2. DCO Core Principle D (Risk Management): The proposed amendments will comply with DCO Core Principle D because the amendments allow the Trading Surveillance access to Eurex Clearing’s clearing system to monitor compliance with position limits, and Eurex Clearing will continue to comply with this Core Principle.
3. DCO Core Principle G (Default Management): The proposed amendments will comply with DCO Core Principle G because the amendments introduce a Residual Settlement process into Hedging Auctions, and Eurex Clearing’s Default Management Process will continue to allow for the efficient, fair, and safe management of insolvency or default events in compliance with Core Principle G. In addition, introduction of the Residual Settlement process will comply with CFTC Rule 39.16, including the provisions relating to auctions.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7  
U.S.C. §7a-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that:

- (1) the amendments comply with the Commodity Exchange Act, and the Commission's regulations thereunder; and
- (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <https://www.eurex.com/ec-en/rules-regs/regulations/cftc-dco-filings>.

/s/ Eric Seinsheimer

By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: February 28, 2023