

27 Feb 2023
Eurex Clearing

Amendments to the Clearing Conditions, the Price List, the FCM Default Rules and the FCM Regulations of Eurex Clearing AG – Consultation

Eurex Clearing Circular 009/23 Amendments to the Clearing Conditions, the Price List, the FCM Default Rules and the FCM Regulations of Eurex Clearing AG – Consultation

1. Introduction

This circular contains information with respect to the service offering of Eurex Clearing AG (Eurex Clearing) and introduces amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) – consultation, the Price List of Eurex Clearing AG (Price List) and the FCM Regulations of Eurex Clearing AG (FCM Regulations) regarding the following topics:

- A. Access of the Trading Surveillance Office of Eurex Deutschland to the clearing system of Eurex Clearing
- B. Adjustment of Repo Transaction Fees for ISA Direct Light License Holders
- C. Introduction of a Service Fee for change of Netting Method
- D. Default Management: Introduction of Residual Settlement for Default Management Hedging Auctions and further clarifications – Consultation
- E. ISA Direct billing: Amendment to the ISA Direct Clearing Agreement
- F. T2-T2S Consolidation: Amendments based on the new TARGET Guideline
- 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 for topics A., B., C., E. and F. will become effective as of **3 April 2023**.

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

2. Required action

Clearing Members, ISA Direct Clearing Members, Disclosed Direct Clients, FCM Clearing Members, vendors and other affected contractual parties should take the amendments to the Clearing Conditions and FCM Regulations into consideration.

The amendments to the Clearing Conditions with respect to topic D. are subject to a Consultation which will end **with the expiry of 27 March 2023**.

Eurex Clearing herewith invites all Affected Customers to submit comments on the proposed changes and amendments within the Consultation Period.

3. Details

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 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.

To reflect these requirements, the following provisions will be amended as outlined in Attachment 1:

- ◆ Chapter I Part 1 Number 15.1 of the Clearing Conditions

B. Adjustment of Repo Transaction Fees for ISA Direct Light License Holders

The Transaction fee for GC Pooling Select Invest Repo Transactions for ISA Direct Light License Holders will be adjusted to 0.0038% p.a. or Minimum Fee of EUR 15.00, CHF 17.00, GBP 14.00 or USD 17.00, respectively.

In this context, the following provisions will be amended as outlined in Attachment 2:

- ◆ Number 5 of the Price List

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

Today, 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 Dual Instruction Netting Method to Single Instruction Netting Method and vice versa.

Eurex Clearing will introduce a Service Fee for changing the Netting Method into the Price List amounting to EUR 100.00.

In this context, the Price List will be amended as outlined in Attachment 2:

- ◆ Number 8.3.5 of the Price List

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

Eurex Clearing proposes to introduce a Residual Settlement for Hedging Auctions in order to harmonize the process with the Default Management Liquidation Auction.

Mandatory Hedging Auction Participants, who did not provide 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.

Furthermore, Eurex Clearing proposes some minor changes with regard to the definition of Mandatory Auction Participants.

To reflect the amendments, the following provisions shall be amended as outlined in Attachments 3 and 4:

- ◆ Chapter I Part 1 Numbers 7.5.2, 7.5.3 of the Clearing Conditions

- ◆ Number 4.2 of the FCM Default Rules

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

With respect to the ISA Direct offering, Eurex Clearing clarifies 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.

The Clearing Agents are charged with

- ◆ the relevant fees from the Price List for their OTC/Repo business (except for the Clearing License Fee), especially the cash handling and security collateral handling fees, the fees for Default Fund contributions and the fees in case of insufficient own funds (Numbers 9.1 to 9.4 of the Price List) and
- ◆ the relevant penalties in the Clearing Conditions (e.g. penalty on failure to pay cash or CSDR penalty).

The ISA Direct Clearing Member will only be charged directly (via their own account, if relevant direct debit mandate is provided)

- ◆ the Clearing License Fees in Number 1 of the Price List (please note that the Clearing License Fee is currently waived for ISA Direct Repo), and
- ◆ the Eurex Clearing connection fees (for these fees, money transfer on the basis of an invoice is also possible).

To reflect this, the following provision shall be amended as outlined in Attachment 6:

- ◆ Appendix 10 to the Clearing Conditions

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

Eurex Clearing intends to update the Clearing Conditions due to the T2-T2S Consolidation, taking into account the terminologies in the new TARGET Guideline of the ECB.

To reflect the changes, the following Chapters and Parts of the Clearing Conditions will be amended as outlined in Attachments 6 to 10:

- ◆ Chapter I Part 1 Numbers 1.4.1 to 2.4.1
- ◆ Chapter II Part 1 and Part 3
- ◆ Chapter IV Part 2 Number 2.4
- ◆ Chapter V Part 2 Number 2.2.1
- ◆ Chapter VIII Part 1 Number 1.7

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.

To implement these changes, the following provisions will be amended as outlined in Attachments 11 and 12:

- ◆ Chapter I Part I Numbers 1.8.1 and 1.8.7 of the Clearing Conditions
- ◆ Chapter II Numbers 1.7, 1.8.1, 2.1.3.1, 2.1.5.1, 2.1.5.2, 2.2.1, 2.2.3, 2.2.4, 2.2.5, 2.2.6 and 2.6.1 of the FCM Regulations

Consultation with respect to the amendments to the Clearing Conditions

Pursuant to Chapter I Part 1 Number 17 of the Clearing Conditions, the proposed changes and amendments to the Clearing Conditions are subject to a Consultation which will end with the expiry of **27 March 2023**.

Eurex Clearing herewith invites all Affected Customers to submit comments on the proposed changes and amendments within the Consultation Period.

During the Consultation Period, comments on proposed changes or amendments shall only be submitted through a web-based commenting service for which a registration form is available on the Eurex Clearing website under the following link:

Find > Forms: Consultation Form

The form has to be duly signed and returned to Eurex Clearing via e-mail to SpecialProvisions@eurex.com in order to obtain a User ID and Password together with a link for accessing the web-based commenting service.

To the extent that Eurex Clearing decides to implement any comments received during the Consultation, the so-amended version of the Clearing Conditions will be published after the Consultation.

The currently envisaged effective date of the changes to the Clearing Conditions is **1 May 2023**. However, after the Consultation Period, Eurex Clearing will issue a separate circular to announce the concrete date on which the proposed changes (as the case may be, implementing comments received during the Consultation) will come into effect.

This announcement will be made with at least 15 Business Days' notice (Regular Notification Period). However, if Eurex Clearing should receive a request for a Prolonged Notification Period from more than two Affected Customers during the Consultation Period, a Prolonged Notification Period as set out in the Clearing Conditions will be applied and Eurex Clearing will notify all affected parties accordingly.

Publication of amendments to the Clearing Conditions, the Price List, the FCM Default Rules and the FCM Regulations

As of the effective date, the full versions of the amended legal framework of Eurex Clearing will be available for download on the Eurex Clearing website www.eurex.com/ec-en under the following link:

Rules and Regulations > Eurex Clearing Rules and Regulations

The amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG prior to the relevant effective date(s) as stipulated in this circular. In case of an objection by the respective contractual party pursuant the preceding sentence, Eurex Clearing AG is entitled to terminate the respective contract (including a Clearing Agreement, if applicable). Instead of submitting an objection, the respective contractual party may submit in writing to Eurex Clearing AG comments to any amendments of the legal framework of Eurex Clearing AG within the first 10 Business Days after the publication of the amendments. Eurex Clearing AG shall assess whether these comments prevent the published amendments from becoming effective taking into account the interests of Eurex Clearing AG and all contractual parties.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions of Eurex Clearing AG, as applicable.

Attachments:

Updated sections of the following rules and regulations:

- ◆ 1 – Chapter I Part 1 Number 15.1 the Clearing Conditions of Eurex Clearing AG
- ◆ 2 – Numbers 5, 8.3.5 of the Price List of Eurex Clearing AG
- ◆ 3 – Chapter I Part 1 Numbers 7.5.2, 7.5.3 of the Clearing Conditions of Eurex Clearing AG
- ◆ 4 – Number 4.2 of the FCM Default Rules of Eurex Clearing AG
- ◆ 5 – Appendix 10 to the Clearing Conditions of Eurex Clearing AG
- ◆ 6 – Chapter I Part 1 Numbers 1.4.1 to 2.4.1 of the Clearing Conditions of Eurex Clearing AG

- ◆ 7 – Chapter II Part 1 and Part 3 of the Clearing Conditions of Eurex Clearing AG
- ◆ 8 – Chapter IV Part 2 Number 2.4 of the Clearing Conditions of Eurex Clearing AG
- ◆ 9 – Chapter V Part 2 Number 2.2.1 of the Clearing Conditions of Eurex Clearing AG
- ◆ 10 – Chapter VIII Part 1 Number 1.7 of the Clearing Conditions of Eurex Clearing AG
- ◆ 11 – Chapter I Part I Numbers 1.8.1 and 1.8.7 of the Clearing Conditions of Eurex Clearing AG
- ◆ 12 – Chapter II Numbers 1.7, 1.8.1, 2.1.3.1, 2.1.5.1, 2.1.5.2, 2.2.1, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.6.1 of the FCM Regulations of Eurex Clearing AG

Further information

Recipients: All Clearing Members, ISA Direct Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, all FCM Clearing Members, vendors, and other affected contractual parties

Target groups: Front Office/Trading, Middle + Back Office, IT/System Administration, Auditing/Security Coordination

Contact: client.services@eurex.com

Web: www.eurex.com/ec-en/

Authorized by: Jens Janka

Further information

[↓ Attachment 1 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 2 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 3 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 4 to Eurex Clearing Circular 009/23](#)



[Attachment 5 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 6 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 7 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 8 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 9 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 10 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 11 to Eurex Clearing Circular 009/23](#)

[↓ Attachment 12 to Eurex Clearing Circular 009/23](#)

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Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 03.04.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Clearing Provisions

[...]

15 Transmission of information by Eurex Clearing AG; Outsourcing of Clearing Functions

15.1 Transmission of information relating to Clearing Members, Clearing Agents, Disclosed Direct Clients and ISA Direct Clearing Members by Eurex Clearing AG

[...]

15.1.2 [...]

15.1.3 Notwithstanding the provisions in Number 15.1.1, Eurex Clearing AG shall be entitled to disclose all data and information relating to Eurex Transactions of the relevant Clearing Member (including Eurex Transactions qualifying as Own Transactions and Client-Related Transactions) to the Trading Surveillance Office (*Handelsüberwachungsstelle*) of the Eurex Exchange by granting the Trading Surveillance Office access to the clearing system of Eurex Clearing AG for the purpose of monitoring position limits in accordance with Section 14 of the Eurex Exchange Rules.

15.1.43 Notwithstanding the provisions in Number 15.1.1, Eurex Clearing AG shall also be entitled to transmit or to request from clearing and settlement institutions or independent auditors which are subject to confidentiality regulations comparable to those applicable to Eurex Clearing AG, all data and information which refer to Clearing Members, Clearing Agents, Disclosed Direct Clients and ISA Direct Clearing Members and which are necessary for the orderly conduct of the Clearing and for the fulfilment of Transactions.

15.1.54 The Clearing Member agrees to obtain written (*Textform*) consent of each of its Disclosed Direct Clients to the transmission of information related to such Disclosed Direct Client by Eurex Clearing AG pursuant to this Number 15.

[...]

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DELETIONS ARE CROSSED OUT.

[...]

5 Repo Transaction Fees

For transactions pursuant to Chapter I Part 1 Number 5.1 of the Clearing Conditions, Eurex Clearing shall charge fees for the settlement of Repo Transactions and positions:

	Transaction fee* for all Repo Transactions (except GC Pooling Select Invest Repo Transactions, Select Finance Repo Transactions and GC Pooling CTD Basket Transactions)	Transaction fee* for GC Pooling Select Invest Repo Transactions	Transaction fee* for Select Finance Repo Transactions (except Select Finance Repo Transactions which also qualify as GC Pooling CTD Basket Transactions)	Transaction fee* for GC Pooling CTD Basket Transactions (including GC Pooling CTD Basket Transactions which also qualify as Select Finance Repo Transactions)
[...]				
ISA Direct Clearing Members	n.a.	n.a.	0.0038 % p. a. or a minimum fee** of EUR 15.00, CHF 17.00, GBP 14.00 or USD 17.00, respectively	0.02 % p.a. or a minimum fee** of EUR 15.00

	Transaction fee* for all Repo Transactions (except GC Pooling Select Invest Repo Transactions, Select Finance Repo Transactions and GC Pooling CTD Basket Transactions)	Transaction fee* for GC Pooling Select Invest Repo Transactions	Transaction fee* for Select Finance Repo Transactions (except Select Finance Repo Transactions which also qualify as GC Pooling CTD Basket Transactions)	Transaction fee* for GC Pooling CTD Basket Transactions (including GC Pooling CTD Basket Transactions which also qualify as Select Finance Repo Transactions)
ISA Direct Light License Holders	n.a.	<u>0.0038 % p. a. or</u> <u>a</u> <u>minimum fee** of</u> <u>EUR 15.00,</u> <u>CHF 17.00,</u> <u>GBP 14.00 or</u> <u>USD 17.00,</u> <u>respectively</u> <u>0.0000</u>	n.a.	n.a.

* In relation to the purchase price of the Front-Leg and the period of time between the starting date for the Front-Leg (inclusive) and the end date for the Term-Leg of the respective Repo Transaction (exclusive), such calculation being made on the basis of Act/360.

** Per concluded transaction, depending on the currency of the underlying Repo Transaction. No minimum fee shall be charged for Repo Transactions with a term group marked with the addition "open".

[...]

8 Service Fees Eurex Clearing, Eurex Deutschland, Frankfurt Stock Exchange (FWB) and Repo Transactions

[...]

8.3 General Service Fees

[...]

8.3.5 Service Fees for Master Data Management

[...]

Service under C7 Securities Clearing Service	Fee per Modification and Settlement Account
[...]	
Cross Cash Marking Netting Flag	EUR 100.00
<u>Change of Netting Method (Dual Instruction Netting/Single Instruction Netting)</u>	<u>EUR 100.00</u>

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 01.05.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Clearing Provisions

[...]

7 Termination Rules with respect to the Clearing Member

[...]

[...]

7.5 Default Management Process

[...]

[...]

7.5.2 DM Hedging Transactions

[...]

(2) Hedging Auctions

[...]

(viii) Residual Hedging Auction Settlement

- (a) If during a Hedging Auction only some (but not all) Hedging Auction Units have been successfully auctioned in accordance with the DM Auction Rules (each Hedging Auction Unit which has not been so auctioned a “Residual Hedging Auction Unit”), Eurex Clearing AG shall offer to each Non-Bidding Hedging Auction Participant to enter with Eurex Clearing AG into the Pro Rata Share of the DM Hedging Transactions of the relevant Residual Hedging Auction Units without undue delay after the Hedging Auction, at its Hedging Auction Pro Rata Share of the highest Auction Price (as defined in the DM Auction Rules) for any Hedging Auction Unit that was accepted by Eurex Clearing AG for an Hedging Auction Unit in

the respective Hedging Auction (the “**Residual Hedging Auction Unit Price**”).

The “**Hedging Auction Pro Rata Share**” of a Non-Bidding Hedging Auction Participant shall be the ratio of (A) the Residual Hedging Auction Units for which the Non-Bidding Hedging Auction Participant provided an invalid or no Mandatory Hedging Bid in the relevant Hedging Auction and (B) the total number of valid Mandatory Hedging Bids which all Non-Bidding Hedging Auction Participants failed to provide in the relevant Hedging Auction.

- (b) If after the offer in accordance with Paragraph (a) Residual Hedging Auction Units are still remaining, Eurex Clearing AG may offer any remaining Residual Hedging Auction Units to each Non-Bidding Hedging Auction Participant at a price determined by Eurex Clearing AG on the basis of the then prevailing market conditions.
- (c) If a Non-Bidding Hedging Auction Participant accepts any offer pursuant to Paragraph (a) or (b) (each a “**Residual Hedging Auction Settlement**”), a DM Hedging Auction shall be established between Eurex Clearing AG and such Clearing Member based on the economic details agreed between them. Upon the establishment of the DM Hedging Transaction pursuant to the preceding sentence, the Contributions of such Clearing Member shall not be juniorised pursuant to Paragraph (vii) above.

If the Residual Hedging Auction Settlement results in a split of the relevant DM Auction Transactions in accordance with the relevant Hedging Auction Pro Rata Share of any Non-Bidding Hedging Auction Participant, Eurex Clearing AG shall, in its reasonable discretion, be entitled to round up the Hedging Auction Pro-Rata Share of such Non-Bidding Hedging Auction Participant and to accordingly allocate DM Hedging Transactions to such Non-Bidding Hedging Auction Participant as part of the Residual Hedging Auction Settlement. If all Non-Bidding Hedging Auction Participants have accepted the offers submitted by Eurex Clearing AG pursuant to Paragraphs (a) and (b) and if Eurex Clearing AG is not able to allocate DM Hedging Transactions to all of such Non-Bidding Hedging Auction Participants due to the rounding up of any Hedging Auction Pro-Rata Shares, the Contributions of all Non-Bidding Hedging Auction Participants, which have accepted an offer, shall not be juniorised pursuant to Paragraph (vii) above.

Eurex Clearing AG shall use best efforts to find a fair and proportionate (*verhältnismäßig*) distribution of the DM Hedging Transactions between the relevant Non-Bidding Hedging Auction Participants.

Each Non-Bidding Hedging Auction Participant is required to take all such steps, to make all further statements and to comply with all such formalities

as may be reasonably required or desirable to perfect or more fully evidence the Residual Hedging Auction Settlement made.

- (ix) In addition to the Residual Hedging Auction Settlement, ~~e~~Each Non-Bidding Hedging Auction Participant shall have the option to partly or fully remedy the juniorisation of its Contribution pursuant Paragraph (vii) above, by providing the winning Bid (in accordance with the DM Auction Rules) in DM Auctions to which the Non-Bidding Hedging Auction Participant was invited by Eurex Clearing AG as Mandatory Participant (“**Remedied Juniorised Hedging Contribution**”).

[...]

- (ix) If a Hedging Auction Participant provides a winning Mandatory Hedging Bid in a Hedging Auction as determined by Eurex Clearing AG in accordance with the DM Auction Rules (“**Winning Hedging Auction Participant**”), the Contributions of such Winning Hedging Auction Participant shall be partly or fully seniorised (“**Seniorised Hedging Contributions**”).

[...]

- (xi) If the applicable Auction Format (as defined in the DM Auction Rules) is “Multi Unit – Pay as you bid” or “Single Unit – Pay as you bid in accordance with the DM Auction Rules, Eurex Clearing AG shall, with respect to any particular Auction Unit, be obliged to accept the highest valid bid.

7.5.3 Establishment of Transactions by way of independent trades or by conducting DM Auctions

[...]

(3) General Provisions

[...]

- (ii) A Mandatory Participant shall be obliged to participate in DM Auctions in accordance with the DM Auction Rules.

“**Mandatory Participant**” means each Clearing Member

[...]

- (iii) with respect to which within 3 months prior to the relevant Termination, ISA Direct Clearing Member Termination or FCM Clearing Member Termination Time at least one Transaction or at least one ISA Direct Transaction of an ISA Direct Clearing Member (other than an ISA Direct Indemnified Clearing Member (~~as defined in Subpart B of the ISA Direct Provisions~~)) that qualifies as an Affected ISA Direct Clearing Member) of such Clearing Member (acting as Clearing Agent) has been booked on a

respective account, which corresponds to these Transaction Types comprised in the relevant Liquidation Group, and

[...]

[...]

- (v) A Mandatory Participant that does not submit a Mandatory Bid or does not submit a valid Mandatory Bid for an Auction Unit (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) during such DM Auction qualifies with respect to the relevant Liquidation Group, to which the DM Auction relates, as “**CM Non-Bidding Participant**”.

[...]

- (d) Residual Settlement

[...]

- (cc) If a CM Non-Bidding Participant accepts any offer under (aa) or (bb) (each a “**Residual Settlement**”), a DM Auction Transaction shall be established between Eurex Clearing AG and such CM Non-Bidding Participant based on the economic details agreed between them. Upon the establishment of the DM Auction Transaction pursuant to the preceding sentence, no contractual penalty pursuant to Paragraph (a) and (c) above shall be payable by such CM Non-Bidding Participant, provided that any contractual penalty pursuant to Paragraph (a) and (c) above which has already been received by Eurex Clearing AG from such CM Non-Bidding Participant shall not be re-paid by Eurex Clearing AG.

If the Residual Settlement results in a split of the relevant DM Auction Transactions in accordance with the relevant Pro Rata Share of any CM Non-Bidding Participant, Eurex Clearing AG shall, in its reasonable discretion, ~~be entitled to allocate rumps to CM Non-Bidding Participants as part of a Residual Settlement.~~ be entitled to round up the Pro-Rata Share of such CM Non-Bidding Participant and to accordingly allocate DM Auction Transactions to such CM Non-Bidding Participant as part of the Residual Settlement. If all CM Non-Bidding Participants have accepted the offers submitted by Eurex Clearing AG pursuant to Paragraphs (aa) and (bb) and if Eurex Clearing AG is not able to allocate DM Auction Transactions to all of such CM Non-Bidding Participants due to the rounding up of any Pro-Rata Share, all CM Non-Bidding Participants, which have accepted an offer, shall not be obliged to pay a contractual penalty pursuant to Paragraph (a) and (c) above.

Eurex Clearing AG shall use best efforts to find a fair and proportionate (*verhältnismäßig*) distribution of the DM Auction Transactions between the relevant CM Non-Bidding Participants.

[...]

[...]

FCM Default Rules of Eurex Clearing AG

As of 01.05.2023

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AMENDMENTS ARE MARKED AS FOLLOWS:
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[...]

4 Default Management Process

[...]

[...]

4.2 DM Hedging Transactions

[...]

(2) Hedging Auctions

[...]

(viii) Residual Hedging Auction Settlement

(a) If during a Hedging Auction only some (but not all) Hedging Auction Units have been successfully auctioned in accordance with the DM Auction Rules (each Hedging Auction Unit which has not been so auctioned a **“Residual Hedging Auction Unit”**), Eurex Clearing AG shall offer to each FCM Non-Bidding Hedging Auction Participant to enter with Eurex Clearing AG into the Pro Rata Share of the DM Hedging Transactions of the relevant Residual Hedging Auction Units without undue delay after the Hedging Auction, at its Hedging Auction Pro Rata Share of the highest Auction Price (as defined in the DM Auction Rules) for any Hedging Auction Unit that was accepted by Eurex Clearing AG for an Hedging Auction Unit in the respective Hedging Auction (the **“Residual Hedging Auction Unit Price”**).

The **“Hedging Auction Pro Rata Share”** of an FCM Non-Bidding Hedging Auction Participant shall be the ratio of (A) the Residual Hedging Auction Units for which the FCM Non-Bidding Hedging Auction Participant provided an invalid or no Mandatory Hedging Bid in the relevant Hedging Auction and (B) the total number of valid Mandatory Hedging Bids which all FCM Non-Bidding Hedging Auction Participants and Non-Bidding Hedging Auction Participants failed to provide in the relevant Hedging Auction.

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(b) If after the offer in accordance with Paragraph (a) Residual Hedging Auction Units are still remaining, Eurex Clearing AG may offer any remaining Residual Hedging Auction Units to each FCM Non-Bidding Hedging Auction Participant at a price determined by Eurex Clearing AG on the basis of the then prevailing market conditions.

(c) If an FCM Non-Bidding Hedging Auction Participant accepts any offer pursuant to Paragraph (a) or (b) (each a “Residual Hedging Auction Settlement”), a DM Hedging Transaction shall be established between Eurex Clearing AG and such FCM Clearing Member based on the economic details agreed between them. Upon the establishment of the DM Hedging Transaction pursuant to the preceding sentence, the Contributions of such FCM Clearing Member shall not be juniorised pursuant to Paragraph (vii) above.

If the Residual Hedging Auction Settlement results in a split of the relevant DM Auction Transactions in accordance with the relevant Hedging Auction Pro Rata Share of any FCM Non-Bidding Hedging Auction Participant, Eurex Clearing AG shall, in its reasonable discretion, be entitled to round up the Hedging Auction Pro-Rata Share of such FCM Non-Bidding Hedging Auction Participant and to accordingly allocate DM Hedging Transactions to such FCM Non-Bidding Hedging Auction Participant as part of the Residual Hedging Auction Settlement.

If all FCM Non-Bidding Hedging Auction Participants accepted the offers submitted by Eurex Clearing AG pursuant to Paragraphs (a) and (b) and if Eurex Clearing AG is not able to allocate DM Hedging Transactions to all of FCM Non-Bidding Hedging Auction Participants due to the rounding up of any Hedging Auction Pro-Rata Shares, the Contributions of all FCM Non-Bidding Hedging Auction Participants, which have accepted an offer, shall not be juniorised pursuant to Paragraph (vii) above.

Eurex Clearing AG shall use best efforts to find a fair and proportionate (*verhältnismäßig*) distribution of the DM Hedging Transactions between the relevant FCM Non-Bidding Hedging Auction Participants.

Each FCM Non-Bidding Hedging Auction Participant is required to take all such steps, to make all further statements and to comply with all such formalities as may be reasonably required or desirable to perfect or more fully evidence the Residual Hedging Auction Settlement made.

(ix) In addition to the Residual Hedging Auction Settlement, ~~E~~each FCM Non-Bidding Hedging Auction Participant shall have the option to partly or fully remedy the juniorisation of its Contribution pursuant Paragraph (vii) above, by providing the winning Bid (in accordance with the DM Auction Rules) in DM Auctions to which the FCM Non-Bidding Hedging Auction Participant was invited by Eurex Clearing AG as FCM Mandatory Participant (“Remedied Juniorised Hedging Contribution”).

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[...]

- (ix) If a Hedging Auction Participant provides a winning Mandatory Hedging Bid in a Hedging Auction as determined by Eurex Clearing AG in accordance with the DM Auction Rules (“**Winning Hedging Auction Participant**”), the Contributions of such Winning Hedging Auction Participant shall be partly or fully seniorised (“**Seniorised Hedging Contributions**”).

[...]

- (xi) If the applicable Auction Format (as defined in the DM Auction Rules) is “Multi Unit – Pay as you bid” or “Single Unit – Pay as you bid” in accordance with the DM Auction Rules, Eurex Clearing AG shall, with respect to any particular Auction Unit, be obliged to accept the highest valid bid.

[...]

Appendix 10 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Clearing Agent
and an ISA Direct Clearing Member

As of 03.04.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

1. [...]

The ISA Direct Clearing Member and the Clearing Agent may also elect to execute this Agreement in their capacities as both

(i) ISA Direct Clearing Member and Clearing Agent for the purposes of the ISA Direct Provisions and

(ii) ISA Direct Indemnified Clearing Member and Indemnifying Clearing Agent for the purposes of the ISA Direct Indemnified Provisions,

provided that ~~only~~ OTC Interest Rate Derivative Transactions pursuant to Chapter VIII Part 2 of the Clearing Conditions are only selected in Annex A_ ~~hereto~~ as applicable Transaction Type for the Clearing of Transactions pursuant to the General ISA Direct Provisions.

[...]

3. With respect to the Clearing of ISA Direct Transactions under this ISA Direct Clearing Agreement, Eurex Clearing AG will charge fees in accordance with the provisions under Chapter I Part 1 Number 5.1 of the Clearing Conditions and in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 of the Clearing Conditions.

Generally, all fees arising from the Clearing of ISA Direct Transactions will be charged to the Clearing Agent.

If the ISA Direct Clearing Member provides an own account as ISA Direct Cash Account, the Parties have the following options:

(i) with respect to the fees for the granting of the ISA Direct Clearing License in accordance with the Price List (“License Fee”), the Parties may agree that Eurex Clearing AG shall charge the License Fee to (I) an account of the Clearing Agent or (II) the ISA Direct Cash Account held by the ISA Direct Clearing Member, and

(ii) with respect to the fees for the technical connection to the systems of Eurex Clearing AG in accordance with the Price List to the Agreement on Technical

Connection to the Clearing EDP (“**Connection Fee**”), the Parties may agree that Eurex Clearing AG (I) charges the Connection Fee to an account of the Clearing Agent, (II) charges the Connection Fee to the ISA Direct Cash Account held by the ISA Direct Clearing Member, or (III) submits an invoice to the ISA Direct Clearing Member and the ISA Direct Clearing Member transfers the Connection Fee to Eurex Clearing AG. ~~Eurex Clearing AG charges fees to the ISA Direct Clearing Member for its Clearing services in accordance with the Clearing Conditions and the Price List for Eurex Clearing AG, in each case as amended, and will, subject to Subpart A Number 3.8 of the ISA Direct Provisions, directly debit the relevant ISA Direct Cash Account in an amount equal to the amount of such fees in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.~~

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 03.04.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Clearing Provisions

1 General Rules

[...]

1.4 Settlement of Transactions

[...]

1.4.1 Cash Clearing

- (1) In order to make cash payments in EUR, the Clearing Member or, with respect to the Clearing of ISA Direct Transactions, the Clearing Agent or the ISA Direct Clearing Member is obliged to instruct the bank of its relevant RTGS ~~Account~~ DCA (Dedicated Cash Account) or relevant euroSIC Account to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG.

[...]

2 Clearing Members

2.1 Clearing License

[...]

2.1.2 General Prerequisites for Clearing Licenses

[...]

- (4) The applicant (other than an applicant that intends to become an OTC IRS U.S. Clearing Member) shall have available the following accounts:

[...]

- (b) Cash Accounts:

(aa) for cash payments in EUR: (i) an account within the payment module at a central bank of the Euro system which participates in TARGET2 with its TARGET2 component system or an account at another central bank which is not a central bank of the Euro system and, due to a special agreement, connected to TARGET2 (“**RTGS Account DCA**”), or (ii) an account with SECB Swiss Euro Clearing Bank GmbH (“**SECB Account**”) and an euroSIC account with SIX Interbank Clearing AG (both accounts jointly the “**euroSIC Account**”), or, if it may be evidenced that neither (i) nor (ii) is possible, (iii) an account with a Correspondent Bank in accordance with (ee), or, if it may be evidenced that (iii) is not possible, (iv) an account with a Settlement Bank in accordance with (ff), or, if it may be evidenced that (iv) is not possible, (v) an account with a bank which maintains an account with a Settlement Bank in accordance with (gg);

[...]

(cc) for cash payments in GBP: (i) an account with a Settlement Bank in accordance with (ff), or (ii) an account with a bank which maintains an account with a Settlement Bank in accordance with (gg)

(any RTGS ~~Account DCA~~ and SIC Account each being referred to as a “**Central Bank Account**”); and

[...]

(ff) The applicant may choose to use an account with a commercial bank recognized by Eurex Clearing AG (“**Settlement Bank**”). For cash payments in EUR, CHF and GBP the following provisions apply:

[...]

(ii) Any payment obligation of the applicant towards Eurex Clearing AG which may arise under the relevant Clearing Agreement, Standard Agreement or Transaction shall only be deemed discharged with the actual credit of the relevant cash amount to the designated TARGET2 account of Eurex Clearing AG, account of Eurex Clearing AG with the SNB or Bank of England (each an “**ECAG Central Bank Account**”) or an account of Eurex Clearing AG with the SIX Interbank Clearing AG or Swiss Euro Clearing Bank GmbH (each an “**ECAG euroSIC Account**”), respectively. Eurex Clearing AG ensures that it will instruct its Settlement Bank immediately after any cash amount has been credited to its account with the Settlement Bank to transfer such amounts to the relevant ECAG Central Bank Account or ECAG euroSIC Account.

[...]

2.3 Specific Provisions and additional continuing Obligations for OTC IRS U.S. Clearing Members

[...]

2.3.1 Special prerequisites and provisions for OTC IRS U.S. Clearing Members

[...]

- (5) Instead of the accounts set out in Number 2.1.2 Paragraph (4) the applicant shall have available the following accounts (as applicable):

[...]

- (b) Cash Accounts:

(aa) for cash payments in Euro: an RTGS ~~Account~~ DCA in respect of payments relating to its Own Transactions; and

[...]

2.4 Specific Provisions for Clearing Agents and ISA Direct Clearing Members

[...]

2.4.1 Special prerequisites in respect of ISA Direct Clearing Members

[...]

- (2) With respect to each applicant for an ISA Direct Clearing License, the applicant shall procure that the following accounts are available (as applicable):

[...]

- (b) Cash Accounts:

(aa) for cash payments in Euro: an RTGS ~~Account~~ DCA held by the Clearing Agent or the ISA Direct Clearing Member in respect of payments relating to the ISA Direct Transactions of the ISA Direct Clearing Member; and

[...]

- (3) A Clearing Member that intends to act as an Indemnifying Clearing Agent pursuant to Subpart B of the ISA Direct Provisions shall procure that (i) for payments of any Applicable Indemnity Payment Amount in Euro, an RTGS ~~Account~~ DCA held by it and (ii) for payments of any Applicable Indemnity Payment Amount in CHF, a SIC Account held by it are available.

[...]

5 Fees

5.1 On the basis of its price list in effect (the "**Price List of Eurex Clearing AG**" (*Preisverzeichnis der Eurex Clearing AG*)), which will be published in accordance with Number 16.1, Eurex Clearing AG will charge to its Clearing Members and its ISA Direct Clearing Members (i) a one-time fee upon conclusion of the first Clearing Agreement, (ii) an annual fee for the granting of a Clearing License or an ISA Direct Clearing License, payable by the Clearing Member or the ISA Direct Clearing Member, as applicable, on January 31 of each year, and (iii) further fees for certain actions and Transactions, as specified in the Price List of Eurex Clearing AG (together with fees ("*Entgelte*" and "*Gebühren*") payable to Eurex Frankfurt AG according to the Agreement on Technical Connection and Utilization of the Trading Systems of Eurex Deutschland (EFAG Connection Agreement) and to Eurex Deutschland according to the Fee Regulations for Eurex Deutschland the "**Eurex-Fees**"). Eurex Clearing AG shall be entitled to (and without having an obligation towards the Clearing Member or ISA Direct Clearing Member to do so, will on or around the time specified) directly debit the RTGS Account DCA, the euroSIC Account, the SIC Account, the Clearing Member Cash Account, the account with a Correspondent Bank, the account with a Settlement Bank and an account with a Settlement Bank maintained in the name of another bank, in an amount equal to the requested amount of Eurex-Fees in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Accordingly, the Clearing Member or the ISA Direct Clearing Member is obliged to instruct the bank of the relevant accounts to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG. The Price List of Eurex Clearing AG shall form part of the Clearing Conditions.

[...]
