

Eurex Clearing AG
ECAG Rule Certification 035/18
April 18, 2018

1. The text of the proposed amendments to the Clearing Conditions of Eurex Clearing (“Clearing Conditions”) is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is May 18, 2018.
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: <http://www.eurexclearing.com/clearing-en/resources/cftc-dco-filing>.
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.

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 following amendments to Chapter I (General Provisions and Chapter VIII (Clearing of OTC Derivative Transactions) of the Clearing Conditions to allow the choice of the Settled-to-Market (“STM”) model, which treats variation margin as settlement, for OTC currency transactions. OTC currency transactions are currently not available for U.S. persons, and the Commodity Futures Trading Commission requires variation margin payments for cleared swaps to be treated as settlement.

Eurex Clearing previously extended the STM model for use with OTC IRS transactions, and STM contracts for OTC currency transactions will be structured in the same way. All of the outstanding exposure arising from such contracts will be fully and finally settled on a daily basis with the consequence that the market value of such contracts will be reset to zero every day.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in the attached Eurex Clearing Circular 035/18, which is appended as Attachment A.

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

1. DCO Core Principle D (Risk Management): The proposed amendments will comply with DCO Core Principle D because the amendments apply an alternative treatment model for variation

margin associated with OTC currency transactions, which are not available in the U.S., and all transactions cleared by Eurex Clearing will continue to comply with this Core Principle.

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: <http://www.eurexclearing.com/clearing-en/resources/cftc-dco-filing>.



By: Eric Seinsheimer

Title: US Compliance Officer, Eurex Clearing AG

Dated: April 18, 2018