



eurex clearing circular 064/16

Date: 18 May 2016
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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Amendments to the Clearing Conditions and other related documents for Eurex Clearing AG

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Content may be most important for:

☞ All departments

Attachments:

1 - 4:
 Updated 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. Changes due to EurexOTC Clear IRS Release 6.1
2. Clearing Member request to split ICM collateral pools

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

The amendments related to topics 1 and 2 will come into effect on **13 June 2016**.

**Amendments to the Clearing Conditions and other related documents
for 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. Changes due to EurexOTC Clear IRS Release 6.1
2. Clearing Member request to split ICM collateral pools

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The amendments related to topics 1 and 2 will come into effect on 13 June 2016.

1. Changes due to EurexOTC Clear IRS Release 6.1

Bulk Backloading

Due to market demand, Eurex Clearing has decided to run the bulk backloading processing earlier on in the day as follows:

- The preliminary backloading batch will be brought forward from its current time of 17:00 (CET) to 15:00 (CET)
- Incremental risk check and backloading novation batch will be brought forward from its current time of 21:00 (CET) to 17:00 (CET)
- and
- The cut-off time for same-day trade novation is 15:00 (CET). Any trades received after this point will be considered for the next day's cycle.

Price Alignment Interest (PAI)

In order to align the PAI as closely as possible with the market standard, Eurex Clearing will change the calculation methodology. This will be achieved by incorporating two changes into the PAI calculation:

- Replacement of "MtM" by "MtM_exCF", so that PAI is based on cumulative Variation Margin
- Change to the calculation for PAI to consider overnight rate T instead of T-1

To reflect the recommended changes, the following provisions of the Clearing Conditions shall be amended as outlined in attachment 1:

- Chapter VIII Part 2 Number 2.1.4.5 (3 to 8)
- Chapter VIII Part 2 Number 2.1.6 (4)

2. Clearing Member request to split ICM collateral pools

Clearing Members requested to split the single ICM collateral pool concept for operational reasons. The introduction of the sub-pool concept does not amend the single Individual Segregation Framework Agreement.

For post-Clearing Member default scenarios, sub-pools are to be treated as one pool.

To split pools, Clearing Members are requested to contact their Key Account Manager.

To reflect the recommended changes, the following provisions shall be amended as outlined in attachment 2:

- Chapter I Part 1 Number 2.1.2(4)(a)(bb) as well as Chapter I Part 3 Subpart A Numbers 4, 5.2, 5.3, 5.4, 6.2, 11 and 16.3
- Number 1 and Annex B of each of Appendix 3 and 4 to the Clearing Conditions (ICM Clearing Agreements (ECD and CCD)).

As of the effective date, the updated Clearing Conditions will be published 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 17.2.3 of the Clearing Conditions, the changes and 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 unless it objects in writing to Eurex Clearing AG before the end of the Business Day prior to the actual effective date of such change and amendment of the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License according to Chapter I Part 1 Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions remains unaffected.

If you have any questions or require further information, please contact Group Client Services & Administration at tel. +49-69-211-1 17 00 or send an e-mail to: memberservices@eurexclearing.com.

18 May 2016

OTC Chapter VIII EN

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

Clearing of OTC Derivative Transactions

As of 13 June 2016

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

Preamble

This Chapter VIII forms an integral part of the Clearing Conditions of Eurex Clearing AG and respective references in other rules or documents to the Clearing Conditions shall also apply to this Chapter VIII.

In accordance with Chapter I Part 2 Number 2.1.1, Chapter I together with this Chapter VIII and all references to other Chapters or Annexes of the Clearing Conditions shall apply for all Clearing Members (including FCM Clearing Members) with a respective Clearing License, their Non-Clearing Members, Registered Customers, ICM Clients and FCM Clients as well as all Interim Participants (if applicable).

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

[...]

2.1.4.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC Interest Rate Derivative Transactions (based on the trade record transmitted to Eurex Clearing AG via the Approved Trade Source System):

[...]

(11) Calculation periods

[...]

If a payment date for a fixed or floating rate payment is adjusted in accordance with any applicable Business Day cConvention, the numbers of days in the relevant calculation period may either be adjusted to the new payment date or remain unadjusted, which is to be specified in the trade record submitted via the Approved Trade Source System.

[...]

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(15) Business Day Convention

The ~~B~~usiness ~~D~~ay ~~C~~onvention must be one of the following as defined in Number 2.4 Paragraph (1): (i) Following, (ii) Modified Following, or (iii) Preceding;

2.1.4.5 Bulk Backloading of Original OTC Transactions

[...]

- (3) Bulk Backloaded Original OTC Transactions that are to be included in the Clearing by way of novation may be submitted to Eurex Clearing AG at any point in time. Bulk Backloaded Original OTC Transactions which are submitted prior to ~~5-3~~ p.m. CET on a Business Day and which fulfil all applicable novation criteria will be included in the novation process on such Business Day.
- (4) The novation process for OTC Bulk Backloaded Original Transactions which are submitted beyond ~~5-3~~ p.m. CET on a Business Day will be carried out on the following next Business Day.
- (5) At ~~35~~ p.m. CET and ~~59~~ p.m. CET on each Business Day Eurex Clearing AG will make available to the Clearing Member (in the case of a FCM Client Transaction, to the FCM Clearing Member acting on behalf of the relevant FCM Client) and Registered Customer a preliminary report indicating the Bulk Backloading Original OTC Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 2.1.4.1, the Margin Requirement as well as any shortage in actually delivered eligible Margin Assets.
- (6) Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfil all novation criteria shall be novated on that Business Day. The novation will become effective when the respective OTC Trade Novation Report will be made available ~~at~~ intraday at around 5:30 p.m. CET and at the end of a Business Day at or around 11 p.m. CET.
- (7) For Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfil all novation criteria except for the provision of the Eligible Margin Asset necessary to cover the margin requirement Eurex Clearing AG will debit the shortfall amount set forth in the OTC Margin Call Report produced and made available at 10:30 p.m. CET in the agreed Clearing Currency from the relevant Clearing Member Cash Account or relevant U.S. Clearing Member Cash Account, as relevant, in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1. Such payment made by direct debit shall constitute cover in respect of the Margin to which the margin requirement referred to in the foregoing sentence relates and accordingly will constitute (i) Elementary Proprietary Margin or Elementary Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) Net

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Omnibus Margin delivered by the Clearing Member pursuant to the Net Omnibus Clearing Model Provisions or (iv) FCM Client Margin delivered by the FCM Clearing Member for the account of the relevant FCM Client pursuant to the U.S. Clearing Model Provisions. Eurex Clearing AG will make available an OTC Trade Novation Report on the Business Day following the day of submission at or around 9:30 a.m. CET to the Clearing Member (in the case of a FCM Client Transaction, to the FCM Clearing Member acting on behalf of the relevant FCM Client) and the Registered Customer.

- (8) A Clearing Member (in the case of a FCM Client Transaction, the FCM Clearing Member acting on behalf of the relevant FCM Client) or Registered Customer may subsequently cancel the submission with respect to any Bulk Backloading Original OTC Transaction submitted to Eurex Clearing AG via an Approved Trade Source System and intended to be novated by the latest by 9:5 p.m. CET on a Business Day, provided that

[...]

[...]

2.1.6 Margin Requirements

[...]

- (4) [...]

If the overnight interest rates are positive and a Clearing Member (or a FCM Client) has a positive portfolio value, Eurex Clearing AG will charge PAI. If the overnight interest rates are positive and a Clearing Member (or a FCM Client) has a negative portfolio value, Eurex Clearing AG will credit PAI to the Clearing Member (or the FCM Client). In case of negative overnight interest rates, Eurex Clearing AG will credit PAI if a Clearing Member (or a FCM Client) has a positive portfolio value and will charge PAI if a Clearing Member (or a FCM Client) has a negative portfolio value.

—PAI shall be calculated and payable for each currency on each Business Day with respect to each Transaction in accordance with the following formulas:

For EUR, GBP and CHF, PAI is defined as:

$$PAI(T) = -MtM_{exCF}(T - 1) * ONR(T, T + 1) * YF(T, T + 1),$$

where:

“ $MtM_{exCF}(T - 1) = MtM(T - 1) - CF(T)$ ” is the present value of the previous Business Day excluding today’s cash flows from coupons or fees

“ $ONR(T, T + 1)$ ” is the overnight rate valid from today to the next Business Day and

“ $YF(T, T + 1)$ ” the year fraction from today to the next Business Day.

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For USD, the OIS rate valid from T to T+1 is published not before T+1. Therefore, a modified definition of PAI is required:

$$PAI(T) = -MtM_{exCF}(T-1) * ONR(T-1, T) * YF(T, T+1)$$

The equation above is also applied for GBP FRAs with settlement in advance, where VM and PAI are instructed intraday before the SONIA overnight rate is available.

For JPY, VM is settled on T+2 (in contrast to EUR, USD, GBP and CHF where it is settled on T+1). Thus, PAI for JPY is defined as:

$$PAI(T) = -MtM_{exCF}(T-2) * ONR(T, T+1) * YF(T, T+1),$$

with

$$MtM_{exCF}(T-2) = MtM(T-2) - CF(T-1) - CF(T),$$

(5)

$$PAI(t) = -PV(t-d^-) \cdot ON(t-d^-, t) \cdot \frac{d^-}{360}$$

— where:

— “PV(t-d⁻)” means the present value on the previous Business Day

— “ON(t-d⁻, t)” means the overnight interest rate of the corresponding currency for the period between today and today less d days.

— “d⁻” means the number of calendar days between the current and the last derivation of the PAI.

(5) The rules on set-off of cash claims pursuant to Chapter I Part 1 Number 1.3.1 Paragraph (1) (a) Sentence 1 and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa) (subject to the limitations set out in Chapter I Part 5 Number 4) apply.

[...]

2.2.1 Payment Obligations

[...]

(4) If after adjustment in accordance with the applicable ~~b~~Business Day ~~c~~Conventions, payments of Fixed or Floating Amounts become due on a Payment Date which is not a day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open (a “**TARGET Settlement Day**”), such payments shall become payable on the next TARGET Settlement Day. For the period from (and including) the scheduled payment date until (and excluding) the next following TARGET Settlement Day, interest will be payable by the relevant fixed rate payer or floating rate payer on the relevant Fixed Amount or Floating Amount payable at a rate equal to EONIA (in case of Euro payments), SONIA (in case of GBP payments); FED FUNDS (in case of USD payments) TOIS (in case of CHF payments) or TONA (in case of JPY payments).

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[...]

2.2.5 Rates for calculating the Floating Amount

[...]

- (2) “**Reset Date**” means, for an OTC Interest Rate Derivative Transaction or a party, each day specified as such in the OTC Trade Novation Report for the OTC Interest Rate Derivative Transaction or that party, subject to adjustment in accordance with the applicable bBusiness dDay cConvention specified in the OTC Trade Novation Report, in each case on the basis of the data relating to reset dates as transmitted to Eurex Clearing AG via the Approved Trade Source System. If an adjustment in accordance with that bBusiness dDay cConvention would cause a Reset Date to fall on the Payment Date in respect of the Calculation Period to which that Reset Date relates, the Reset Date shall be the first Business Day preceding the date on which the Reset Date would have fallen without any adjustment.

[...]

2.3.1 General terms for ISDA Interest Rate Swaps or Forward Rate Agreements

In the case of ISDA Interest Rate Derivative Transactions that are interest rate swaps (each an “**ISDA Interest Rate Swap**”) or forward rate agreements (each an “**ISDA Forward Rate Agreement**”), the 2006 ISDA Definitions and, on their basis, the following general terms shall apply:

[...]

- (d) Termination Date (subject to adjustment in accordance with any applicable Bbusiness Dday Cconvention)
- (e) Business Days
- (f) Bbusiness Dday Cconvention

[...]

2.3.2 Terms for ISDA Fixed Rate-Floating Rate Swaps

In addition to the general terms for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant OTC Trade Novation Report shall apply to ISDA Interest Rate Swaps that are fixed rate-floating rate swaps:

1. Fixed Amounts:
 - (a) Fixed Rate Payer
 - (b) Fixed Rate Payer Payment Dates (subject to adjustment in accordance with any applicable bBusiness Day Convention)

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[...]

2. Floating Amounts:

(a) Floating Rate Payer

(b) Floating Rate Payer Payment Dates (subject to adjustment in accordance with any applicable bBusiness Dday cConvention)

[...]

2.3.3 Terms for ISDA Floating Rate-Floating Rate Swaps

In addition to the general provisions for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant OTC Trade Novation Report, shall apply to ISDA Interest Rate Swaps that are floating rate-floating rate swaps (“**basis**” swaps):

(a) Floating Rate Payer 1

(i) Floating Rate Payer Payment Dates (subject to adjustment in accordance with any applicable bBusiness Dday Convention)

[...]

(b) Floating Rate Payer 2

(i) Floating Rate Payer Payment Dates (subject to adjustment in accordance with any applicable bBusiness Dday cConvention)

[...]

2.3.4 Terms for ISDA Overnight Interest Rate Swap Transactions

In addition to the general terms for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant OTC Trade Novation Report, shall apply to ISDA Interest Rate Swaps that are overnight interest rate-swap transactions:

1. Fixed Amounts:

(a) Fixed Rate Payer

(b) Fixed Rate Payer Payment Dates or Period End Dates, if Delayed Payment or Early Payment applies (subject to adjustment in accordance with any applicable bBusiness Dday cConvention)

(c) Fixed Rate and Fixed Rate Day Count Fraction

2. Floating Amounts:

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- (a) Floating Rate Payer
- (b) Floating Rate Payer Payment Dates or Period End Dates, if Delayed Payment or Early Payment applies (subject to adjustment in accordance with any applicable Bbusiness Dday cConvention)
- (c) Floating Rate for initial Calculation Period, if applicable
- (d) Floating Rate Option
- (e) Reset Dates being the last day of each Calculation Period (subject to adjustment in accordance with any applicable bBusiness Dday cConvention)
- (f) Compounding (“**straight**”) or Flat Compounding shall not be applicable.

2.3.5 Terms for ISDA Forward Rate Agreements

In addition to the general provisions for ISDA Forward Rate Agreements, the following product-specific terms shall apply to ISDA Forward Rate Agreements:

- (a) Fixed Rate Payer
- (b) Fixed Rate
- (c) Floating Rate Payer
- (d) Payment Date being the Effective Date or the Termination Date as specified in the OTC Trade Novation Report (subject to adjustment in accordance with any applicable Bbusiness Dday Cconvention)
- (e) Floating Rate Option
- (f) Designated Maturity
- (g) Spread: none
- (h) Floating Rate Day Count Fraction
- (i) Reset Date (subject to adjustment in accordance with any applicable bBusiness Dday cConvention)
- (j) FRA Discounting: Applicable if the FRA Amount is payable on the Effective Date and not applicable if the FRA Amount is payable on the Termination Date
- (k) Identical financial centres for fixings and payments.

2.3.6 Terms for ISDA Zero Coupon Inflation Swaps

In addition to the general terms for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant OTC Trade Novation Report shall apply to ISDA Zero Coupon Inflation Swaps:

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1. Fixed Amounts:

- (a) Fixed Rate Payer
- (b) Fixed Rate Payer Payment Date (subject to adjustment in accordance with any applicable Business Day Convention)
- (c) Fixed Rate (zero coupon) and Fixed Rate Day Count Fraction, or

2. Floating Amounts:

- (a) Floating Rate Payer
- (b) Floating Rate Payer Payment Date (subject to adjustment in accordance with any applicable Business Day Convention)

[...]

[...]

Attachment 2 to Eurex Clearing circular 064/16

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 13.06.2016

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

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General Provisions

Preamble

Eurex Clearing AG, having its registered office in Frankfurt am Main, acts as central counterparty for (a) (i) transactions in securities and *Wertrechte*, including German book-entry securities (*Gutschriften in Wertpapierrechnung*) and Swiss intermediated securities (*Schweizer Bucheffekten*) (hereinafter together the “**Securities**”) and (ii) futures, options and other derivative transactions, which, in each case, result from either matching orders and quotes of trading participants (the “**Matching**”) on the markets Eurex Deutschland, Eurex Zürich, Eurex Bonds, Eurex Repo, Frankfurter Wertpapierbörse and Irish Stock Exchange (hereinafter collectively referred to as “**Markets**” and each a “**Market**”, each Transaction resulting from Matching a “**Market Transaction**”), (b) novations of transactions executed over-the-counter (each transaction resulting from an over-the-counter transaction an “**OTC Transaction**”) or (c) novations of executed over-the-counter securities or cash lending transactions or securities lending transactions executed on Eurex Repo (each transaction resulting from a novation of any such **securities** (or cash) **lending transaction** a “**Securities Lending Transaction**”, and each Market Transaction, OTC Transaction and Securities Lending Transaction, a “**Transaction**”).

Hereinafter (i) the conclusion by Eurex Clearing AG as central counterparty of Transactions of one or more Transaction Types (as defined in Number 1.1.2), (ii) the processing by Eurex Clearing AG of such Transactions in preparation for the fulfilment of all obligations resulting therefrom, and (iii) the related services rendered by Eurex Clearing AG, in each case as set out in Chapters I–IX (the “**Clearing Conditions**”), shall together be referred to as “**Clearing**”.

This Chapter I forms an integral part of the Clearing Conditions and respective references in any other rules or documents to the Clearing Conditions also apply to this Chapter I

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Part 1 General Clearing Provisions

[...]

2.1.2 General Prerequisites for Clearing Licenses

[...]

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

(a) Securities Accounts:

[...]

(bb) for purposes of providing Segregated Margin in the form of Securities pursuant to the Individual Clearing Model Provisions through accounts with Clearstream Banking AG, (i) a securities account with Clearstream Banking AG for each of its Non-Clearing Members and Registered Customers pursuant to the Individual Clearing Model Provisions and/or (ii) a securities account with Clearstream Banking AG for several of its Non-Clearing Members and/or Registered Customers pursuant to the Individual Clearing Model Provisions, in each case if applicable and if the Clearing Member does not use Xemac in order to transfer title to the Securities which form part of the Segregated Margin to Eurex Clearing AG; the Securities are attributed to the relevant Non-Clearing Member or Registered Customer, respectively, in the case of (i), by booking them into the securities account and in the case of (ii), by booking them into the securities account and stating the specific customer identifier pursuant to Part 3 Subpart A Number 4.3 (the "**Securities Margin Account**");

[...]

[...]

[...]

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Part 3 Subpart A: General Provisions for ICM-ECD and ICM-CCD

[...]

4 Internal Accounts of Eurex Clearing AG and the Clearing Member

4.1 Internal Accounts of Eurex Clearing AG

In addition to the internal accounts set out in Number 4 of the General Clearing Provisions, Eurex Clearing AG shall establish and maintain with respect to the Clearing Member the following internal accounts with respect to the relevant Standard Agreement:

4.1.1 Internal Cash Account

With respect to each currency accepted by Eurex Clearing AG an internal cash account (or in case the Sub Pool Provisions apply, a separate internal cash account in relation to each Sub Pool) (i) for the settlement of claims arising from Covered Transactions other than Settlement Claims, into which all daily settlement payments, option premiums and other cash payment obligations arising under the Covered Transactions shall be booked and (ii) for Settlement Claims.

The daily balance of each internal cash account (after taking into account the set-offs pursuant to Clearing Conditions) shall be debited or credited, as the case may be, to the respective Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in such account as Segregated Margin or Segregated Variation Margin.

4.1.2 Internal Margin Account

An internal margin account (or in case the Sub Pool Provisions apply, a separate internal margin account in relation to each Sub Pool) for the Clearing Member in which all daily credits and debits of Eligible Margin Assets pursuant to the Individual Clearing Model Provisions will be recorded (the “**Segregated Internal Margin Account**”).

4.1.3 Separate Accounting for Funds

Eurex Clearing AG will separately account for the relevant positions and the relevant margin collateral provided under Covered Transactions entered into in relation to each Relevant Fund and each Relevant Fund Segment.

4.1.4 Use of Sub Pools

The Clearing Member may request Eurex Clearing AG by submitting to Eurex Clearing AG a duly completed form prescribed for such purpose by Eurex Clearing AG to maintain separate operational sub pools (each a “Sub Pool”) in relation to

(i) Covered Transactions relating to one ore more Transaction Types and/or

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(ii) (a) Covered Transactions referring to own transactions of the relevant ICM Client and (b) Covered Transactions referring to customer related transactions of the relevant ICM Client.

whereupon, if Eurex Clearing AG accepts such request (to which it shall not be obliged), the provisions for the operational handling of Sub Pools ("**Sub Pool Provisions**") shall apply with respect to each of the relevant Sub Pools.

Each Sub Pool shall operationally be treated separately from any other Sub Pool, subject to and in accordance with the Sub Pool Provisions. For the avoidance of doubt, the usage of Sub Pools is not intended to, and accordingly may not, meet the requirements of any regulatory segregation requirements. The usage of Sub Pools will in particular, without limitation, neither result in additional Standard Agreements, separate Difference Claims nor Relevant Difference Claims.

In case the Sub Pool Provisions apply, the Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG, that

- (i) it has informed the ICM Client of its election to use Sub Pools in connection with the Clearing and of any potential adverse economic effects that usage of Sub Pools may have for that ICM Client in comparison to the Clearing of Covered Transactions without use of Sub Pools; and
- (ii) the ICM Client is willing to bear the potential economic risks and adverse effects which are related to a usage of Sub-Pools, in particular, without limitation, in terms of potentially higher Default Margin Requirements and ~~Default~~ Clearing Fund Contribution requirements resulting from the operational treatment associated with the usage of Sub Pools.

4.2 Internal Accounts of the Clearing Member

The Clearing Member shall establish an internal accounting with respect to the Individual Clearing Model Provisions to record in relation to Eurex Clearing AG and the relevant ICM Client (i) all Covered Transactions, (ii) all payments and deliveries under Covered Transactions, (iii) all Segregated Margin and Segregated Variation Margin actually delivered and (iv) all Redelivery Claims. In case the Sub Pool Provisions apply, the Clearing Member shall reflect the Sub Pools in its internal accounting.

The Clearing Member will furthermore separately account for the relevant positions and the relevant margin collateral provided under Covered Transactions entered into in relation to each Relevant Fund and each Relevant Fund Segment, if applicable.

4.3 Methods of assigning transfers of Eligible Margin Assets to a Standard Agreement

The Clearing Member shall establish and provide to Eurex Clearing AG a specific customer identifier with respect to the ICM Client and, in case the Sub Pool Provisions apply, the customer identifier shall include an identifier of the relevant Sub Pool. Any

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transfer of Eligible Margin Assets to Eurex Clearing AG in respect of Segregated Margin or Segregated Variation Margin shall clearly refer to the applicable customer identifier.

[...]

5.2 Margin Requirement

5.2.1 The amount of Eligible Margin Assets to be delivered as cover in respect of Segregated Margin by the Clearing Member shall be determined in accordance with Number 3.1 of the General Clearing Provisions (the “**Default Margin Requirement**”) and will be notified by Eurex Clearing AG to the Clearing Member.

5.2.2 In order to determine the Default Margin Requirement of the Clearing Member, Eurex Clearing AG will determine separate margin requirements for (i) such Covered Transactions referring to own transactions of the relevant ICM Client and (ii) such Covered Transactions referring to customer related transactions of the relevant ICM Client, provided that in each case credit balances on any internal transaction account shall not be taken into account, and then calculate the sum of such separate margin requirements.

5.2.3 In case the Sub Pool Provisions apply, Eurex Clearing AG will determine separate Default Margin Requirements of the Clearing Member separately in relation to each such Sub Pool, provided that in each case credit balances on any internal transaction account shall not be taken into account.

5.3 Margin Call

5.3.1 If Eurex Clearing AG at any time on any Business Day determines that the aggregate value of the Segregated Margin actually delivered (in case the Sub Pool Provisions apply, in relation to a particular Sub Pool) is insufficient to meet the Default Margin Requirement (in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool), Eurex Clearing AG will require the Clearing Member to deliver (additional) Eligible Margin Assets in an amount up to the Default Margin Requirement (in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool) by the time specified by Eurex Clearing AG.

For the avoidance of doubt, in case the Sub Pool Provisions apply, Segregated Margin actually delivered in relation to a particular Sub Pool will not be taken into account by Eurex Clearing AG when determining whether sufficient Segregated Margin has actually been delivered with respect to any other Sub Pool.

5.3.2 The Clearing Member may provide Eligible Margin Assets to Eurex Clearing AG in excess of the relevant Default Margin Requirement (the “**Excess Margin**”). Any Excess Margin actually delivered shall form part of the Segregated Margin and shall be subject to a Redelivery Claim which becomes due upon request by the Clearing Member.

5.3.3 If a Clearing Member elects to deliver (additional) Eligible Margin Assets in the form of cash pursuant to Number 3.3.2 of the General Clearing Provisions with respect to a Margin Call relating to Segregated Margin, then:

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- (i) Eurex Clearing AG shall make the relevant debit entry in the Internal Elementary Proprietary Margin Account and the respective credit entry in the Segregated Internal Margin Account with such cash credit being allocated to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member pursuant to these Individual Clearing Model Provisions; and
- (ii) the aggregate value of Elementary Proprietary Margin actually delivered and the redelivery claim under the Elementary Proprietary Standard Agreement shall be reduced accordingly upon Eurex Clearing AG having made the corresponding records (which Eurex Clearing AG shall do without undue delay) in the Segregated Internal Margin Account pursuant to Number 4.1.2 and the Internal Elementary Proprietary Margin Account pursuant to Number 4.2 of the Elementary Clearing Model Provisions.

In case the Sub Pool Provisions apply, Eurex Clearing AG will process the booking of cash credits between Internal Segregated Margin Account with respect to Sub Pools relating to the same Standard Agreement upon request of the Clearing Member.

5.3.4 Non-compliance with the relevant Default Margin Requirement by the Clearing Member shall constitute a Termination Event pursuant to Number 7.2.1 Paragraph (1) of the General Clearing Provisions unless such non-compliance has been remedied by the Clearing Member by the time the Termination would occur.

5.3.5 The Clearing Member may at any time request from Eurex Clearing AG the redelivery of assets equivalent to Eligible Margin Assets actually delivered in respect of the Segregated Margin if the aggregate value of all Eligible Margin Assets actually delivered in respect of the Segregated Margin exceeds the relevant Default Margin Requirement applicable at the time of such request. In case the Sub Pool Provisions apply, the Clearing Member may not request such a redelivery, if any Default Margin Requirement for any Sub Pool is not fully satisfied. The Clearing Member may select – in accordance with any agreement between the Clearing Member and the ICM Client, if applicable – which Eligible Margin Assets credited to the Segregated Internal Margin Account pursuant to Number 4.1.2 shall be redelivered; Eurex Clearing AG will not and shall not be obliged to check whether there is, and whether the Clearing Member complies with, any such agreement.

5.4 **Direct Debit**

To the extent Eligible Margin Assets have not yet been delivered by the Clearing Member with respect to a Margin Call pursuant to Number 5.3.1, Eurex Clearing AG shall be entitled to (and without having an obligation towards the Clearing Member to do so, will on or around the time specified) directly debit the Clearing Member Cash Account in an amount equal to the requested amount of Eligible Margin Assets in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Any such direct debit shall constitute fulfilment of the relevant Margin Call relating to the relevant Standard Agreement, and, in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool (and consequentially such direct debit will increase the Redelivery Claim).

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[...]

6.2 Segregated Variation Margin Requirement

Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Segregated Variation Margin. The party to the relevant Standard Agreement obliged to provide Segregated Variation Margin (the “**Segregated Variation Margin Provider**”), to the other party to such Standard Agreement (the “**Segregated Variation Margin Taker**”), and the amount of Eligible Margin Assets in form of cash to be delivered as cover in respect of Segregated Variation Margin (the “**Segregated Variation Margin Requirement**”) shall be determined in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and Chapter VIII Part 2 Number 2.1.6 Paragraph (3), as applicable.

Numbers 5.32.2 and 5.2.3 applies *mutatis mutandis*.

[...]

11 Re-Establishment of Transactions upon request by ICM-Client

Upon the occurrence of a Termination Date, the ICM Client may elect by giving notice to Eurex Clearing AG (the “**Re-Establishment Election Notice**”) (i) to re-establish the terminated Covered Transactions as interim participant (the “**IP Election**”) or (ii) to immediately re-establish the terminated Covered Transactions with a Replacement Clearing Member (as defined in Number 11.2.2) (the “**Immediate Re-Establishment Election**”) or (iii) not to re-establish the terminated Covered Transactions, in each case as soon as possible and at the latest by 13:00 hours (Frankfurt am Main time) on the Business Day following the Termination Date (the “**Re-Establishment Cut-Off Time**”).

If Eurex Clearing AG does not receive a Re-Establishment Election Notice in which either an IP Election or an Immediate Re-Establishment Election was made by the Re-Establishment Cut-Off Time, there will be no re-establishment of the terminated Covered Transactions and Number 7.3.2 and 7.3.3 and Subpart B Number 6.3.2 and 6.3.3 if applicable, apply.

With respect to the Clearing of Covered Transactions for Relevant Funds, the Authorised Manager may decide separately for each Relevant Fund whether it either declares an IP Election or an Immediate Re-Establishment Election. With respect to the Clearing of Covered Transactions for Relevant Fund Segments, the Authorised Manager may only decide collectively for all such Relevant Fund Segments whether it declares an IP Election or an Immediate Re-Establishment Election. Sub Pools will not be supported for the purpose of a re-establishment.

[...]

16.2 Direct Segregated Margin Retransfer

[...]

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16.2.6 The ICM Client, by entering into an ICM Clearing Agreement, accepts in advance any offer by Eurex Clearing AG to transfer to the ICM Client any assets (that are credited to the Securities Margin Account of the Clearing Member that is referable to the ICM Client or are credited to the relevant Eurex Clearing Securities Margin Account and refer to the ICM Client) by way of a Direct Segregated Margin Retransfer. Section 151 BGB applies. The parties to the relevant ICM Clearing Agreement expressly agree that, in the event of a Direct Segregated Margin Retransfer, no title in the relevant asset shall pass through the Clearing Member.

16.3 Sub Pools

In case the Sub Pool Provisions apply, Number 16.1 and 16.2 shall apply mutatis mutandis.

[...]

Attachment 3 to Eurex Clearing circular 064/16

AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED
DELETIONS ARE CROSSED OUT

Appendix 3 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the
Individual Clearing Model under Eurex Clearing AG Documentation

As of 13 June 2016

[...]

1. The Parties enter into this Agreement for the Clearing of Transactions pursuant to the Individual Clearing Model Provisions under Eurex Clearing AG Documentation. The legal relationship between the Parties shall be construed in accordance with Subpart A Number 2 and Subpart B Number 2 of the Individual Clearing Model Provisions. The Transaction Types included in the Clearing and the options concerning Direct Segregated Margin Transfer, Retransfer and Set-Off are selected by the Clearing Member and the ICM Client in Annex A to this Agreement. If a Relevant Fund or a Relevant Fund Segment (as to be specified in Annex B to this Agreement) enters into this Agreement, the special provisions pursuant to Number 1.1.7 of the General Clearing Provisions shall apply. If a Relevant Fund or Relevant Fund Segment is listed more than once in Annex B, the Sub Pool Provisions shall apply.

[...]

Annex B to the Clearing Agreement: Relevant Funds and Relevant Fund Segments*

Legal Name of the Relevant Fund [In the case of a Sub-Fund, the fund to which the Sub-Fund relates shall also be indicated. In case of a Relevant Fund Segment, the fund or sub-fund to which the Relevant Fund Segment belongs shall also be indicated.]			
Name of the asset pool (fund), <u>including, if applicable, relevant Sub Pool type</u> [Account name of the Relevant Fund/Relevant Fund Segment <u>and, if applicable, relevant Sub Pool</u>]			
Legal Entity Identifier (LEI/preLEI)			
Jurisdiction (ISO code)			

* Eurex Clearing AG may provide this Annex in a different format than shown here.

[...]

Attachment 4 to Eurex Clearing circular 064/16

AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED
DELETIONS ARE CROSSED OUT

Appendix 4 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the
Individual Clearing Model under Client Clearing Documentation

As of 13 June 2016

[...]

1. The Parties enter into this Agreement for the Clearing of Transactions pursuant to the Individual Clearing Model Provisions under Client Clearing Documentation. The legal relationship between the Parties shall be construed in accordance with Subpart A Number 2 and Subpart C of the Individual Clearing Model Provisions. The details of the Client Clearing Agreement, the Transaction Types included in the Clearing and the options concerning Direct Segregated Margin Transfer, Retransfer and Set-Off are selected by the Clearing Member and the ICM Client in Annex A to this Agreement. If a Relevant Fund or a Relevant Fund Segment (as to be specified in Annex B to this Agreement) enters into this Agreement, the special provisions pursuant to Number 1.1.7 of the General Clearing Provisions shall apply. If a Relevant Fund or Relevant Fund Segment is listed more than once in Annex B, the Sub Pool Provisions shall apply.

[...]

Annex B to the Clearing Agreement: Relevant Funds and Relevant Fund Segments*

Legal Name of the Relevant Fund [In the case of a Sub-Fund, the fund to which the Sub-Fund relates shall also be indicated. In case of a Relevant Fund Segment, the fund or sub-fund to which the Relevant Fund Segment belongs shall also be indicated.]			
Name of the asset pool (fund), <u>including, if applicable, relevant Sub Pool type</u> [Account name of the Relevant Fund/Relevant Fund Segment <u>and, if applicable, relevant Sub Pool</u>]			
Legal Entity Identifier (LEI/preLEI)			
Jurisdiction (ISO code)			

* Eurex Clearing AG may provide this Annex in a different format than shown here.

[...]
