

[...]

3.1.5 Novation Criteria and Process Regarding OTC FX Transactions

[...]

3.1.5.1 Transaction Type Specific Novation Criteria and terms for OTC FX Transactions

The following Transaction Type specific novation criteria must be fulfilled for OTC FX Transactions (based on the trade record transmitted to Eurex Clearing AG via the relevant ATS). To the extent the values are actually reflected in the OTC Trade Novation Report of an OTC FX Transaction, they shall form the basis of the respective OTC FX Transaction.

[...]

(4) Maximum remaining term

The remaining term of an OTC FX Transaction from the date of novation to the termination date must be (i) in case of an OTC FX Spot Transaction, no more than 2 Business Days, (ii) in case of an OTC FX Forward no more than 2 years and (iii) in case of an OTC FX Swap, no more than 2 years for the far leg; as regards the remaining term of the near leg there must be a period of at least 1 Business Day between the near leg and the far leg of the relevant OTC FX Swap. The termination date and a Business Day for the Currency Pair EUR/USD, must be a TARGET Settlement Day, a CLS Settlement Day and a New York ~~Banking~~ Business Day (“**EUR/USD Business Day**”) and, for the Currency Pair GBP/USD, a TARGET Settlement Day, a CLS Settlement Day, a London ~~Business~~ Banking Day and a New York ~~Business~~ Banking Day (“**GBP/USD Business Day**”) and together with EUR/USD Business Day, a “**Relevant Currency Pair Business Day**”).

“**CLS Settlement Day**” means a day on which the CLS CCP Service is open.

(5) Minimum remaining term

The minimum period of an OTC FX Transaction between the date of novation and the termination date must be at least one Business Day which for the Currency Pair EUR/USD, must be a TARGET Settlement Day, a CLS Settlement Day and a New York ~~Business~~ Banking Day and, for the Currency Pair GBP/USD, a TARGET Settlement Day, a CLS Settlement Day, a London ~~Business~~ Banking Day and a New York ~~Business~~ Banking Day.

[...]

(7) Business Days

Any dates specified under an OTC FX Transaction as dates on which an action (including a payment) shall occur, (i) for the Currency Pair EUR/USD, must be a TARGET Settlement Day, a CLS Settlement Day and a New York ~~Business~~ Banking

Day, and (ii) for the Currency Pair GBP/USD, a TARGET Settlement Day, a CLS Settlement Day, a London Business Banking Day and a New York Business Banking Day.

[...]

(9) If Original OTC FX Transactions containing break clauses (*Kündigungsrechte*) (including, but not limited to optional and/or mandatory early termination rights) are submitted to Eurex Clearing AG for clearing, such break clauses will not become part of the OTC FX Transactions.

3.1.5.2 Documentation of Original OTC FX Transactions

Irrespective of the master agreement and/or the applicable contractual definitions documentation of the Original OTC FX Transaction, the provisions of these Clearing Conditions shall apply to each the terms set out in Number 3.2 below shall apply to all CCP Transactions that are OTC FX Transaction on the basis of the relevant OTC Trade Novation Reports which are based on Original OTC Transactions submitted via the relevant ATS.

3.1.5.3 Bulk Backloading of Original OTC FX Transactions

(1) An Original OTC FX Transaction that has a Trade Date which falls more than three Business Days prior to the date of submission to Eurex Clearing AG and in respect of which the initial exchange of payments has already been settled bilaterally will be considered as a backloaded trade ("**Bulk Backloaded Original OTC FX Transaction**").

[...]

(5) At 3:00 p.m. (~~Frankfurt am Main time~~) and 5:00 p.m. (each Frankfurt am Main time) on each Business Day, Eurex Clearing AG will make available to the Clearing Member and the DC With Sytem Access and the Basic DC (depending on the categorisation of such Basic DC in the systems of Eurex Clearing AG) a preliminary report indicating the Bulk Backloaded Original OTC FX Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 3.1.5.1 and the Margin Requirement as well as any shortage in actually delivered Eligible Margin Assets.

[...]

[...]

3.1.7 Margin Requirements

[...]

(2) The Variation Margin Requirement and/or any Redelivery Amount (each as defined in Chapter I Part 2 Subpart A Number 5 or Part 4 Number 7), as the case may be,

for ~~CCP Transactions that are~~ OTC FX Transactions and CTM FX Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (as set out in Number 3.1.6) as follows: For each outstanding ~~CCP Transaction~~ OTC FX Transaction entered into prior to the relevant Business Day, the relevant profit or loss amount shall be the difference between the daily evaluation prices of the OTC FX Transaction ~~CCP Transaction~~ on the relevant Business Day and the previous Business Day. For OTC FX Transaction ~~CCP Transactions~~ entered into on the relevant Business Day, the relevant profit or loss amount shall be the difference between zero and the daily evaluation price for such Business Day. Additionally, the Variation Margin includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the trade related cash flows (including principal exchange payments and trade related fees (if any)) on the current Business Day are added and the trade related cash flows (including principal exchange payments and trade related fees) on the next Business Day are subtracted.

The Variation Margin Requirement and/or any Redelivery Amount shall be calculated in USD with respect to each CTM FX Transaction in accordance with the following formula:]

$$VM_{\$}(t) = NPV_{\$}(t) - NPV_{\$}(t-1) + DCF_{\$}(t-1, t) - DCF_{\$}(t, t+1) \\ + DCF_{\text{€},\text{€}}(t-1, t) \cdot FX(t-1) - DCF_{\text{€},\text{€}}(t, t+1) \cdot FX(t)$$

[...]

- (3) In addition to Variation Margin, and as part of the primary payment obligations of CTM FX Transactions, interest (the so-called price alignment interest (“**FX PAI**”)) shall be payable on the cumulative Variation Margin at the applicable overnight interest rate.

[...]

- (b) The relevant index to determine the FX PAI is SOFR (as defined in Part 2 Number 2.2.5).

[...]

- (4) The rules on set-off of cash claims pursuant to Chapter I Part 1 Number 1.3.1 ~~Paragraph (1) (a)~~ and Chapter I Part 1 Number 1.3.1 ~~Paragraph (2) (a) (aa)~~ and ~~Paragraph (2) (c)~~ apply (subject to any limitations on set-off set out in any other applicable Part of Chapter I).

[...]

3.2 Product-related terms for OTC FX Transactions

[...]

3.2.1 Payment obligations

(1) The relevant Clearing Member and Eurex Clearing AG shall pay the amounts payable under and in accordance with the terms of the relevant ~~CCP-OTC FX~~ Transaction as specified in the relevant OTC Trade Novation Report ~~on the basis of the trade record submitted via the relevant ATS~~ and which are as follows:

- (a) subject to Number 3.4.3.2, with respect to OTC FX Spot Transactions, one party shall pay to the other party on the relevant Settlement Date the Currency A Amount against the payment of a corresponding amount in the other currency of the Currency Pair at the applicable FX rate as specified in the relevant OTC Trade Novation Report;

[...]

“**Settlement Date**” means any date agreed between the relevant Clearing Member and Eurex Clearing AG with respect to the relevant OTC Currency Transaction subject in each case to the provisions of Number 3.1.5.1 ~~Paragraphs (4) and (5) and Number 4.1.5.1 Paragraphs (4) and (5)~~, as the case may be.

[...]

- (c) [...]

“**Currency B**” means the respective other currency of the relevant Currency Pair (as opposed to the currency of the Currency A Amount).

(2a) If any date on which a payment is due under an OTC FX Transaction is or becomes a non-Business Day (in accordance with the Business Days specified under the OTC FX Transaction), then the relevant payment shall be made on the first following day that is a Business Day.

(2) [...]

- (c) Any of the total settlement amounts to which any of the terms defined in this Number 3.2.1 ~~Paragraph (2)~~ refer shall include payments (in the relevant currency) with respect to trade related fees, Forecasted Variation Margin and Forecasted Currency STM Amounts, but exclude payment obligations with respect to Margin, Settlement Compensation Margin, FX PAI, XCCY PAI and Currency PAA). Any of the payments that are taken into account in the terms defined in this Number 3.2.1 ~~Paragraph (2)~~ shall, if they are to be made by the Clearing Member, be expressed as negative amounts and, if they are to be made to the Clearing Member, be expressed as positive amounts.

[...]

“**Forecasted Variation Margin**” means an amount calculated in USD with respect to each OTC Currency Transaction in accordance with the following formula:

$$\text{Forecasted } VM_{\$}(t) = CF_{\$}(t) - CF_{\$}(t + 1) + CF_{\text{€;€}}(t) \cdot FX(t - 1) - CF_{\text{€;€}}(t + 1) \cdot FX(t)$$

[...]

“**Forecasted Currency STM Amount**” means an amount calculated in USD with respect to each STM Currency Transaction in accordance with the following formula:

$$\text{Forecasted Currency STM Amount}_{\$}(t) = CF_{\$}(t) - CF_{\$}(t + 1) + CF_{\text{€;€}}(t) \cdot FX(t - 1) - CF_{\text{€;€}}(t + 1) \cdot FX(t)$$

[...]

(f) [...]

For the avoidance of doubt, a payment by Eurex Clearing AG to a Prefunding Amount Payer pursuant to this Paragraph (2)(f) as such does not constitute a failure to pay the relevant Prefunding Amount pursuant to Number 3.4.1; however, a failure by the Clearing Member to make the repayment of the Prefunding Amount in accordance with this Paragraph (2)(f) constitutes a failure to pay pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (1).

- (3) (a) Payments under the relevant Original OTC FX Transaction will not be owed under the relevant ~~CCP-OTC FX~~ Transaction and are not subject to these Clearing Conditions in case these payments were due on or before the day of novation.
- (b) Subject to Number 3.2.2.3 and Number 3.2.1 ~~Paragraph (2)(a) – (c)~~, any payments to be made by the Clearing Member to Eurex Clearing AG under this Number 3.2.1 (other than payments by the Clearing Member with respect to any relevant Prefunding Amount) shall be made with respect to each currency of the Currency Pairs – on a net basis, and directly to the relevant CLS Central Bank Account through the CLS CCP Service no later than 8:00 a.m. (Frankfurt am Main time) (the “**CLS Cut-Off Time**”) (as timing is of the essence). The provisions of Section 376 German Commercial Code (*Handelsgesetzbuch*) shall, however, not apply.
- (c) A payment to be made by the Clearing Member to Eurex Clearing AG in respect of (an) OTC FX Transaction(s) (including payments with respect to Variation Margin, FX PAI, FX STM Amounts, FX PAA and trade related fees but excluding payments with respect to any relevant Prefunding Amount, Loss Shortage Amount, Margin or Settlement Compensation Margin) on a relevant

payment date shall be referred to as the “**Relevant FX Payment**” (and together with the Relevant XCCY Payment (as defined in Part 4 Number 4.2.1 Paragraph (1)), the “**Relevant FX/XCCY Payments**”).

- (d) Subject to Number 3.2.1 Paragraph (2)(d), any payments to be made by Eurex Clearing AG to the Clearing Member under this Number 3.2.1 shall be made – with respect to each currency of the Currency Pairs – on a net basis and directly to the relevant Currency Products Cash Account of the Clearing Member through the CLS CCP Service.
- (4) The following additional primary payment obligations apply under STM FX Transactions:
 - (a) The Clearing Member or Eurex Clearing AG, as the case may be, shall pay an FX STM Amount on each Business Day (i) from (and including) the FX STM Effective Date (in case an STM FX Transaction was an Existing STM Eligible FX Transaction), the date of novation pursuant to Part 1 Number 1.2.1 (in case an STM FX Transaction was an Original STM Eligible FX Transaction), the date of novation pursuant to Number 3.7.2 or the date of novation pursuant to Number 3.8, as relevant, (ii) to (and including) the “Termination Date” of the STM FX Transaction (as specified in the relevant OTC Trade Novation Report), the date of the cancellation pursuant to Number 3.7.2, the date of the release from the obligations under the Original Transaction pursuant to Number 3.8 in connection with Chapter I Part 1 Number 1.2.2 Paragraph (5) (c) or the date of a termination pursuant to Number 3.9, as relevant (the relevant date under (ii) is the “**FX Last STM Amount Payment Date**”).

[...]

The FX STM Amount shall be calculated in USD with respect to each STM FX Transaction in accordance with the following formula:

$$\begin{aligned}
 & \text{FX STM Amount}_{\$(t)} \\
 &= NPV_{\$(t)} - NPV_{\$(t-1)} + DCF_{\$(t-1,t)} - DCF_{\$(t,t+1)} \\
 & \quad + DCF_{\text{€;£}(t-1,t)} \cdot FX(t-1) - DCF_{\text{€;£}(t,t+1)} \cdot FX(t)
 \end{aligned}$$

[...]

3.2.2 Discharge of payment obligations through CLS CCP Service; Finality

3.2.2.1 Discharge of payment obligations of a Clearing Member

Any payment obligation of a Clearing Member (the “**Payer Clearing Member**”) arising under this Part 3, Part 4 or the relevant FX Swap Line Agreement towards Eurex Clearing AG on a Settlement Date (taking into account, if the Clearing Member has paid a Prefunding Amount to Eurex Clearing AG, the application of such Prefunding Amount by

Eurex Clearing AG in discharge of the CM OTC Currency Transactions Payment Obligations in accordance with Number 3.2.1 ~~Paragraph (2)(d)~~ to be discharged by payment through the CLS CCP Service shall only be validly discharged at the time Eurex Clearing AG has received all Debit Notifications in respect of all amounts owed by Eurex Clearing AG to the Recipient Clearing Members on that Settlement Date. Payments have to be made in full, partial payment will not lead to a partial discharge of the payment obligation of a Clearing Member.

[...]

3.2.2.2 Discharge of payment obligations of Eurex Clearing AG

[...]

Eurex Clearing AG may discharge its payment obligations under the relevant ~~CCP~~ OTC FX Transaction by way of set-off in accordance with Chapter I Part 1 Number 1.3.1 ~~Paragraph (1) (a) and (f) and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa), (b) and (c).~~

3.2.2.3 Discharge of payment obligations in case of unavailability of CLS CCP Service

[...]

- (2) If the CLS CCP Service is not available for settlement for any reason and Eurex Clearing AG has instructed the settlement of the affected OTC Currency Transaction(s) outside the CLS CCP Service, then any payment obligation of Eurex Clearing AG towards a Clearing Member arising under this Part 3, Part 4 and the relevant FX Swap Line Agreement shall be discharged in accordance with Chapter I Part 1 Number 2.1.2 ~~Paragraph (4) (b) (ff) (iii).~~

[...]

3.2.2.4 Finality of payments processed through CLS CCP Service

In deviation from Chapter I Part 1 Number 1.2.9 ~~Paragraphs (2), (3) and (4),~~ in respect of all Payment Transfer Orders which are to be processed through the CLS CCP Service:

[...]

- (b) any such Payment Transfer Orders are entered into the system of Eurex Clearing AG within the meaning of Article 3 ~~Paragraphs (1) and (3)~~ of the Settlement Finality Directive and are irrevocable pursuant to the statutory provisions implementing the Settlement Finality Directive:

[...]

“Payment Transfer Order” means:

[...]

3.3 Pay-Out Limits; Pay-Out Limit Breach Contractual Penalty

- (1) In addition to the pay-in limits set out in Number 3.2.1 ~~Paragraph~~(2), the Clearing Member shall be subject to the GBP Pay-Out Limit and the USD Pay-Out Limit (each a **"Pay-Out Limit"**).

[...]

- (2) Where the pay-out cash flows in USD on a settlement date exceed a certain threshold, the Clearing Member shall be subject to a contractual penalty in accordance with the following provisions:

[...]

"Market Movement STM Amount" means an amount calculated in USD with respect to each STM Currency Transaction in accordance with the following formula:

$$\text{Market Movement STM Amount}(t) = NPV_{\$}(t) - NPV_{\$}(t - 1)$$

where:

$NPV(t)$ denotes the net present value of the trade at time t .

"Market Movement Variation Margin" means an amount calculated in USD with respect to each CTM Currency Transaction in accordance with the following formula:

$$\text{Market Movement VM}_{\$}(t) = NPV_{\$}(t) - NPV_{\$}(t - 1)$$

where:

$NPV(t)$ denotes the net present value of the trade at time t .

[...]

Any of the total settlement amounts to which any of the terms defined in this Number_3.3 ~~Paragraph~~(2) refer shall include payments (in the relevant currency) with respect to trade related fees, Forecasted Variation Margin and Forecasted Currency STM Amounts, but exclude payment obligations with respect to Margin, FX PAI, XCCY PAI and Currency PAA).

- (3) Where the pay-out cash flows in GBP on a settlement date exceed a certain threshold, the Clearing Member shall be subject to a contractual penalty in accordance with the following provisions:

[...]

Any of the total settlement amounts to which any of the terms defined in this Number_3.3 ~~Paragraph~~(3) refer shall include payments (in the relevant currency)

with respect to trade related fees, Variation Margin and Currency STM Amounts, but exclude payment obligations with respect to Margin, FX PAI, XCCY PAI and Currency PAA).

[...]

3.4 Failure to Pay with respect to an OTC Currency Transaction

[...]

3.4.3 Consequences of an FX/XCCY Failure to Pay

[...]

3.4.3.1 Step-in Process – Exercise of FX Swap Lines

- (1) Eurex Clearing AG shall have the right to exercise – in accordance with Paragraphs (2) and (3) below – its options to enter into one or more foreign exchange swap transactions traded over the-counter with one or more Eligible FX Swap Line Counterparties. Such exercise shall, in each case, be made in accordance with the terms of the relevant FX Swap Line Agreement (as defined in Number 3.1.3 ~~Paragraph (6)~~ above). By exercising its options as set out in the previous sentence, Eurex Clearing AG enters into one or more transactions with each of the relevant Eligible FX Swap Line Counterparties (each such transaction an “**FX Hedging Transaction**” and each such Eligible FX Swap Line Counterparty an “**FX Hedge Counterparty**”). The FX Hedging Transactions shall be included in the Clearing pursuant to Chapter I Part 1 Number 1.2.2 ~~Paragraph (4)(c)~~. If an FX STM Election has been made by the Clearing Member with respect to its Proprietary Standard Agreement, such FX Hedging Transactions shall be STM FX Transactions.

[...]

- (2) The exercise by Eurex Clearing AG of its option(s) is subject to compliance with all of the following conditions, with respect to each of USD and GBP:

[...]

“**FX Swap Line Maximum Amount**” means an aggregate maximum amount designated by each FX Swap Line Counterparty in USD or GBP, subject to the applicable FX Swap Line Maximum Amount Floor and the applicable FX Swap Line Maximum Amount Cap. Each FX Swap Line Counterparty must designate the FX Swap Line Maximum Amount when entering into the FX Swap Line Agreement and may, thereafter adjust the FX Swap Line Maximum Amount (subject to the then applicable FX Swap Line Maximum Amount Floor and the then applicable FX Swap Line Maximum Amount Cap) by notice to Eurex Clearing AG with effect as of any Swap Line Determination Date and subject to a notice period of three (3) months, provided that if, on such Swap Line Determination Date, any FX Hedging Transaction with such FX Swap Line Counterparty is outstanding, such adjustment will only become effective on the next Business Day on which no FX Hedging

Transaction with such FX Swap Line Counterparty is outstanding (the “**Adjustment Postponement**”). In the absence of any express determination by the relevant FX Swap Line Counterparty, the FX Swap Line Maximum Amount with respect to such FX Swap Line Counterparty shall be equal to the FX Swap Line Maximum Amount Floor. For the purposes of Number 3.4.3.1 Paragraph (2)(ii)(A) and Number 3.4.3.3, the relevant outstanding FX Swap Line Maximum Amount will be reduced by the amount of each FX Hedging Transaction resulting from the exercise of such option and re-increased by such amount if and when the relevant FX Hedging Transaction is fully settled.

[...]

3.4.3.2 Step-in Process – Payment of Alternative Currency Amount

- (1) If and to the extent Eurex Clearing AG is unable to source through the exercise of its option(s) pursuant to Number 3.4.3.1, above an amount in the currency (the “**Unavailable FX/XCCY Currency**”) which it would have received from the Late CM if the latter had performed its payment obligation(s) under the relevant ~~CCP~~ OTC FX Transaction (including with respect to a Shortage Amount) (an “**Unavailable FX/XCCY Currency Amount**”), then Eurex Clearing AG shall be entitled to discharge:

[...]

- (ii) in case of more than one affected Non-Late CM, its payment obligations which in aggregate correspond to the Unavailable FX/XCCY Currency Amount by paying a corresponding amount on a pro rata basis to each such Non-Late CM,

in case of (i) and (ii) above, in an Available Currency based on the relevant WM/Reuters Intra-Day Spot Rate at 7:00 a.m. (Frankfurt am Main time) on the relevant payment date, provided that, in the case of (ii) above, if a USD Pay-Out Excess Amount (in case the Unavailable FX/XCCY Currency is USD) or a GBP Pay-Out Excess Amount (in case the Unavailable FX/XCCY Currency is GBP) has arisen with respect to one or more Non-Late CMs (the “**Pay-Out Excess Non-Late CMs**”), Eurex Clearing AG shall exercise its right to pay such corresponding amount in the following order: First, in respect of such Pay-Out Excess Non-Late CMs on a pro rata basis up to (A) the higher of the USD Pay-Out Excess Amount resulting from the application of (x) Number 3.3 Paragraph (2)(A) and (y) Number 3.3 Paragraph (2)(B) (in case the Unavailable FX/XCCY Currency is USD) and (B) the GBP Pay-Out Excess Amount (in case the Unavailable FX/XCCY Currency is GBP), second (and for the remaining corresponding amount), in respect of all Non-Late CMs (each corresponding amount so paid to a CM, (an “**Alternative Currency Amount**”). Any payment of an Alternative Currency Amount shall be made directly to the relevant Currency Products Cash Account of the Non-Late CM through the CLS CCP Service.

[...]

- (2) Eurex Clearing AG shall pay to each recipient of an Alternative Currency Amount the respective Alternative Currency Difference Amount. For the avoidance of doubt, no Alternative Currency Difference Amount shall be paid through the CLS CCP Service.

“Available Currency” means (i) any currency of a Currency Pair in respect of which the Non-Late CM uses the Clearing services pursuant to this Chapter VIII Part 3 or Part 4 or (ii) ~~Euro~~EUR.

[...]

“Unavailable Currency Amount Payment Obligation” means any payment obligation referred to in Number 3.4.3.2 ~~Paragraph (1) Sub-Paragraphs (i) and (ii).~~

3.4.3.3 Roll-Over

[...]

“Extraordinary Circumstances” means one or more of the following circumstances:

[...]

- (iii) any other material circumstance exists which in the reasonable discretion (*nach billigem Ermessen*) of Eurex Clearing AG makes a full compensation of the FX/XCCY Failure to Pay Amount through the Step-in Process highly unlikely and, thus, after due consideration of the interests of all affected Clearing Members and the market, justifies the postponement of the payment obligations under the relevant OTC Currency Transactions as further set out in this ~~Paragraph~~ Number 3.4.3.3.

[...]

3.4.4 Late Payment

- (1) Without limiting any rights of Eurex Clearing AG set out in Number 3.4.3 above and without prejudice to the fact that timing is of the essence as regards the Relevant FX/XCCY Payment, if the Late CM makes the Relevant FX/XCCY Payment after the CLS Cut-Off Time on the relevant Settlement Date (the **“Late Payment”** and the amount of such Late Payment, the **“Late Payment Amount”**), then any payments with respect to OTC Currency Transactions (i) which are owed by Eurex Clearing AG to the Late CM on such date (including but not limited to the payments relating to the Relevant FX/XCCY Payment) and (ii) which are to be made through the CLS CCP Service will be made by Eurex Clearing AG only on the Business Day immediately following the relevant Settlement Date (the **“Deferred Payment”** and the amount of such Deferred Payment, the **“Deferred Payment Amount”**). Eurex Clearing AG shall be entitled to discharge its obligation to make the Deferred Payment by paying in whole or in part a corresponding amount in (a) any currency of a Currency Pair in respect of which the Late CM uses the Clearing services pursuant to this Part 3 or Part 4 or (b) ~~Euro~~EUR based on the mid-market rate of the relevant WM/Reuters Intra-Day Spot Rate at 7:00 a.m. (Frankfurt am Main time) on the Business Day

following the relevant payment date. For the avoidance of doubt, Number 3.2.2.2 above shall also apply in the case of Deferred Payments.

[...]

3.5 Loss with respect to OTC Currency Transactions

[...]

3.5.1 Loss with respect to Prefunding Amounts and Late Payment Amounts

[...]

- (6) If the relevant Loss Shortage Amount paid by the Affected Payer exceeds the amount of the relevant CM-Related Loss, Eurex Clearing AG shall pay such excess to the Affected Payer without undue delay after the relevant CM-Related Loss has been determined. The obligation of the Affected Payer to pay the relevant CM-Related Loss pursuant to Chapter I Part 1 Number 3.4.6 Paragraph (v) shall be discharged by the payment of relevant Loss Shortage Amount.

[...]

3.5.2 Loss with respect to Corresponding Pay-in Amounts

The following provisions apply to a Corresponding Pay-In Amount Loss:

[...]

- (2) Eurex Clearing AG shall determine the relevant Corresponding Pay-In Amount Loss Shortage Amount. Number 3.5.1 Paragraph (2) shall apply *mutatis mutandis*.
- (3) If the relevant Corresponding Pay-In Amount Loss Shortage Amount exceeds the amount of the relevant Corresponding Pay-In Amount Clearing Member-Related Loss, Eurex Clearing AG shall pay such excess to the Affected Payment Receiver without undue delay after the relevant Corresponding Pay-In Amount Clearing Member-Related Loss has been determined. The obligation of the Affected Payment Receiver to pay the Corresponding Pay-In Amount Clearing Member-Related Loss pursuant to Chapter I Part 1 Number 3.4.6 Paragraph (v) shall be discharged by the reduction of the obligations of Eurex Clearing AG under the Deferred Payment pursuant to Paragraph (1) above.

3.5.3 Definitions

[...]

“Late Payment Amount Loss Shortage Amount” means an amount up to the amount of the relevant Late Payment Amount which has actually been paid to Eurex Clearing AG pursuant to Number 3.4.4 Paragraph (2) above.

[...]

“Prefunding Amount Loss Shortage Amount” means an amount up to the amount of the relevant Prefunding Amount which has actually been paid to Eurex Clearing AG pursuant to Number 3.2.1 Paragraph (2) above.

[...]

3.7 Trade Netting and Accumulation

- (1) Eurex Clearing AG may agree with a Clearing Member upon the mutual cancellation (**“Netting”**) and the accumulation of ~~CCP Transactions that are~~ OTC FX Transactions provided that such ~~CCP OTC FX~~ Transactions are part of the same Standard Agreement. In this case, the Netting and accumulation shall be carried out on the basis of the following provisions agreed upon by Eurex Clearing AG and the Clearing Member. ~~Such agreement may be terminated by the Clearing Member with the effect on the Business Day following the receipt of the termination notice by Eurex Clearing AG.~~
- (2) To the extent the ~~CCP OTC FX~~ Transactions that are subject to Netting or accumulation pursuant to Number 3.7.1 and 3.7.2 are DC-Related Transactions or UDC-Related Transactions, it is a matter of the relevant parties to agree, whether as a result of such netting or accumulation, any CM-Customer Transactions shall be subject to netting or accumulation. The relevant Clearing Member is obliged to obtain the required instruction from the relevant Direct Client before initiating any such netting or accumulation.
- (3) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the Netting or accumulation instructions were given by the relevant Direct Client to the Clearing Member and whether a netting or accumulation of CM-Customer Transactions is contractually possible or valid.

3.7.1 Inclusion of ~~CCP OTC FX~~ Transactions in the Netting and Accumulation Process

- (1) All ~~CCP Transactions that are~~ OTC FX Transactions are eligible for Netting provided that:
 - (a) the relevant FX Trade Criteria are identical; and
 - (b) ~~CCP OTC FX Transactions booked on a Clearing Member Own Account~~ may not be netted with OTC FX CCP Transactions booked on an account that belongs to a different Transaction Accounts Group or ISA Transaction Accounts Group on a Client Transaction Account and vice versa; and
 - (c) ~~CCP Transactions booked on a Client Transaction Account may not be netted with CCP Transactions booked on another Client Transaction Account.~~

“FX Trade Criteria” means the commercial terms of the relevant ~~CCP OTC FX~~ Transactions, in particular the following basic criteria:

[...]

- (2) With respect to the eligibility of ~~CCP Transactions that are~~ OTC FX Transactions for accumulation, Paragraph (1) applies *mutatis mutandis*.
- (3) ~~CCP OTC FX~~ Transactions will be netted and/or accumulated if the ~~CCP OTC FX~~ Transactions have been designated for ~~N~~etting and/or accumulation, as the case may be, by the respective Clearing Member (or DC With System Access acting on behalf of the relevant Clearing Member) in the system of Eurex Clearing AG. Such designation shall be submitted no later than by 10:00 p.m. (Frankfurt am Main time) on the relevant Business Day.

3.7.2 Netting and Accumulation Procedure

- (1) The ~~OTC FX CCP~~ Transactions selected for ~~n~~etting shall be netted with each other to the maximum extent possible on each Netting Level. Upon closing of the ~~n~~etting, all ~~OTC FX CCP~~ Transactions that were ~~netted~~ included in the ~~Netting~~ are cancelled.

The remaining ~~OTC FX CCP~~ Transactions for which there is no counter-position with which they can be netted may be accumulated and novated to one or more ~~OTC FX CCP~~ Transaction(s) with the aggregate notional amount of the accumulated ~~OTC FX CCP~~ Transactions. The ~~OTC FX CCP~~ Transactions that were accumulated shall be cancelled.

- (2) The ~~OTC FX CCP~~ Transactions to be accumulated shall be novated to one or more ~~OTC FX CCP~~ Transaction(s) with the aggregate notional amount of the accumulated ~~OTC FX CCP~~ Transactions. The ~~OTC FX CCP~~ Transactions that were accumulated shall be cancelled.
- (3) The ~~N~~etting and the accumulation, respectively, of the ~~OTC FX CCP~~ Transactions will become effective when the OTC Trade Daily Summary Report, in which such event is included, is made available to the relevant Clearing Members.

3.8 Transfer of OTC FX CCP Transactions, Account Transfer and Trade Amendment

- (1) An OTC FX CCP Transaction may be transferred in accordance with Paragraphs (3) to (9) and Numbers 3.8.1 and 3.8.2 below, as applicable.

[...]

- (3) The transfer of an OTC FX CCP Transaction will be performed against payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 3.1.6). Furthermore, the relevant Clearing Members may specify in the system of Eurex Clearing AG an additional amount payable by a Clearing Member in connection with the transfer. All amounts payable under this Paragraph (3) will be settled via Eurex Clearing AG.

[...]

- (5) If the OTC FX CCP Transaction to be transferred is an STM FX Transaction and no FX STM Election is or has been made or no FX STM Election is permitted with

respect to the ~~OTC FX CCP~~ Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 ~~Paragraph~~(5) (c), the relevant ~~OTC FX CCP~~ Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 ~~Paragraph~~(5) (c) shall be established as a CTM Transaction and the additional primary payment obligations of the Clearing Member and Eurex Clearing AG set out in Number 3.2.1 ~~Paragraph~~(4) shall not arise with respect to such Transaction.

- (6) To the extent the ~~OTC FX CCP~~ Transactions that are subject to a transfer or account transfer pursuant to Number 3.8.1 or 3.8.2 are DC-Related Transactions or UDC-Related Transactions, it is a matter of the relevant parties to agree whether, as a result of such transfer or account transfer, any CM-Customer Transactions shall be created or be subject to a transfer or cancellation. The relevant Clearing Member is obliged to obtain the required instruction from the relevant Direct Client before initiating any such transfer.

[...]

- (8) Eurex Clearing AG may, subject to further restrictions set out in the systems of Eurex Clearing AG, offer a bulk transfer of two or more ~~OTC FX CCP~~ Transactions where the check in accordance with Part 1 Number 1.2.3 (1) Clause 8 whether the Clearing Member has delivered sufficient Eligible Margin Assets is performed on a net basis across all such ~~OTC FX CCP~~ Transactions.
- (9) A transfer or booking pursuant to Number 3.8.1 or 3.8.2 must not result in or contribute to a requirement of the Clearing Member to pay a Prefunding Amount in accordance with Part 3 Number 3.2.1 ~~Paragraph~~(2) on the two Business Days for the relevant Currency Pair (as set out in Part 3 Number 3.1.5.1 ~~Paragraph~~(4)) immediately following the date of the transfer or booking – assuming, for the purposes of this Number 3.8 only, that Part 3 Number 3.2.1 ~~Paragraph~~(2) applied and any of these two Business Days were a relevant Settlement Day for the purposes of determining a Prefunding Amount in accordance with Part 3 Number 3.2.1 ~~Paragraph~~(2).

3.8.1 Transfer of an ~~OTC FX CCP~~ Transaction to another Clearing Member

- (1) Upon request of a Clearing Member or a DC With System Access (on behalf of the Clearing Member) entered into the system of Eurex Clearing AG, an ~~OTC FX CCP~~ Transaction may be transferred from a Clearing Member to another Clearing Member holding the required OTC Currency Products Clearing License. Number 3.8 ~~Paragraph~~(6) applies.
- (2) Any transfer or partial transfer of an ~~OTC FX CCP~~ Transaction provided for in this Number 3.8.1 may be effected by way of novation pursuant to Number 3.8 (4) and Chapter I Part 1 Number 1.2.2 ~~Paragraph~~(5)-.

3.8.2 Account Management or Account Transfers

- (1) Clearing Members may book OTC FX CCP-Transactions to or from any of their transaction accounts in accordance with this Number 3.8.2. Any booking will take place by way of novation pursuant to Number 3.8 (4) and Chapter I Part 1 Number 1.2.2 Paragraph (5).
- (2) Such bookings may also be made with respect to part of an OTC FX CCP Transaction.

3.8.2.1 Account Management in case of Own Transactions, DC-Related Transactions and UDC-Related Transactions

Upon request of a Clearing Member, Eurex Clearing AG may book

(a) an Own Transaction from its Clearing Member Own Account pursuant to Chapter I Part 1 Number 4.2.1 Paragraph (1) to a NOSA UDC Account, DC Own Account or Indirect Client Account relating to an Indirect Client of a DC With System Access/Basic DC or Undisclosed Direct Client pursuant to Chapter I Part 1 Number 4.2.1 (thereby becoming a DC-Related Transaction or UDC-Related Transaction) or

(b) a DC-Related Transaction or UDC-Related Transaction from a NOSA UDC Account, DC Own Account or Indirect Client Account relating to an Indirect Client of a DC With System Access/Basic DC or Undisclosed Direct Client pursuant to Chapter I Part 1 Number 4.2.1 to its Clearing Member Own Account pursuant to Chapter I Part 1 Number 4.2.1 (thereby becoming an Own Transaction).

3.8.2.2 Account Transfer in case of a DC With System Access

- (1) Upon request of a Clearing Member or a DC With System Access and subject to the consent of the Clearing Member, Eurex Clearing AG may book an account position relating to an OTC FX CCP Transaction that is an DC-Related Transaction from a Transaction Account relating to the relevant DC With System Access to a Transaction Account relating to another DC With System Access/Basic DC of the same Clearing Member.

[...]

3.8.3 Trade Amendment

A Clearing Member or a DC With System Access may, by means of an entry in Eurex Clearing AG's system, split OTC FX CCP-Transactions and assign new customer references to the new Transactions resulting from the trade split provided that such new Transactions are booked in the same account as the Transaction that existed before the trade split was made. As a result, new OTC FX CCP-Transactions will be created the aggregate nominal amount of which is equal to the nominal amount of the OTC FX CCP Transaction that was split.

3.9 Early Termination

- (1) ~~An CCP Transaction that is an OTC FX Transaction~~ may be early terminated in accordance with Paragraphs (2) to (8) and Numbers 3.9.1 and 3.9.2 below, as applicable.
- (2) A Clearing Member may, with the consent of Eurex Clearing AG, terminate an OTC FX ~~CCP~~ Transaction or convert a DC-Related Transaction into an Own Transaction of the Clearing Member in accordance with this Number 3.9.
- [...]
- (4) Without prejudice to the early termination provisions set out in this Number 3.9 and any termination rights a Clearing Member may have pursuant to Chapter I, Clearing Members have no right to exercise any early termination option under any OTC FX ~~CCP~~ Transaction and no mandatory early termination shall apply to an OTC FX ~~CCP~~ Transaction. This paragraph shall not restrict the parties to an OTC FX ~~CCP~~ Transaction to agree on a bilateral basis that one party shall have a right to demand from the other party its consent to a termination of the OTC FX ~~CCP~~ Transaction.
- ~~(5) A CCP Transaction may only be early terminated (i) together with a CCP Transaction between Eurex Clearing AG and another Clearing Member and which has identical terms, (ii) against the payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 3.1.6) and (iii) provided that:~~
 - ~~(a) Eurex Clearing AG and both Clearing Members have given their consent to such termination;~~
 - ~~(b) both Clearing Members were a party to the Original OTC Transaction; and~~
 - ~~(c) none of the two CCP Transactions created upon novation of the Original OTC Transaction was subject to any netting or accumulation pursuant to Number 3.7.~~

~~— If both Clearing Members have given their consent to the early termination request in accordance with Number 3.9 Paragraph (5) (a), they may cancel such a request as long as the risk check performed by Eurex Clearing AG has not yet been successfully completed.~~

~~— An early termination pursuant to this Number 3.9 may also be effected with respect to part of a CCP Transaction.~~
- (65) To the extent the OTC FX ~~CCP~~ Transactions that are subject to an early termination pursuant to this Number 3.9 are DC-Related Transactions or UDC-Related Transactions, it is the responsibility of the relevant parties to agree on a bilateral basis that, as a result of such early termination, any CM-Customer Transaction shall be early terminated.

(76) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the termination instructions were given by the relevant Direct Client to the Clearing Member.

(87) A conversion or early termination pursuant to this Number 3.9 must not result in or contribute to a requirement of the Clearing Member to pay a Prefunding Amount in accordance with Part 3 Number 3.2.1 ~~Paragraph (2)~~ on the two Business Days for the relevant Currency Pair (as set out in Part 3 Number 3.1.5.1 ~~Paragraph (4)~~) immediately following the date of the conversion or early termination – assuming, for the purposes of this Number 3.9 only, that Part 3 Number 3.2.1 ~~Paragraph (2)~~ applied and any of these two Business Days were a relevant Settlement Day for the purposes of determining a Prefunding Amount in accordance with Part 3 Number 3.2.1 ~~Paragraph (2)~~.

3.9.1 Conversion of DC-Related Transactions into Own Transactions

[...]

(2) An OTC FX-CCP Transaction converted into an Own Transaction pursuant to Paragraph (1) will be credited to the Clearing Member Own Account. Chapter I Part 1 Number 11.3 shall apply *mutatis mutandis*.

[...]

3.9.2 Termination of Own Transactions, DC-Related Transactions and UDC-Related Transactions

An OTC FX-CCP Transaction between the Clearing Member and Eurex Clearing AG may only be terminated (i) together with an OTC FX-CCP Transaction between Eurex Clearing AG and another Clearing Member which has identical terms, (ii) against the payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 3.1.6) and (iii) provided that:

[...]

(b) both Clearing Members were a party to the Original OTC FX Transaction; and

(c) none of the two OTC FX-CCP Transactions created upon novation of the Original OTC FX Transaction was subject to (i) any netting or accumulation pursuant to Number 3.7 or (ii) a transfer or trade amendment pursuant to Number 3.8.

[...]

An early termination pursuant to this Number 3.9.2 may also be effected with respect to part of an OTC FX-CCP Transaction.

[...]

[...]

3.11 Acknowledgements by Clearing Members

The Clearing Member acknowledges that:

- (i) if the CLS CCP Service becomes unavailable for settlement for any reason (including, but not limited to, insolvency of CLS Bank), (x) the Clearing Member will – in the circumstances set out in Number 3.2.2.3 – be required to discharge its payment obligation by making the relevant payment outside the CLS CCP Service to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member may have already made a payment through the CLS CCP Service to the relevant CLS Central Bank Account and/or (y) the Clearing Member will – in the circumstances set out in Number 3.12 Paragraphs (2) and (3) – be required to indemnify Eurex Clearing AG by paying an amount equivalent to the relevant Prefunding Amount or Late Payment Amount, respectively, to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member has already paid the Prefunding Amount or Late Payment Amount, respectively, to Eurex Clearing AG;

[...]

- (viii) the payment obligations of Eurex Clearing AG under the Deferred Payment shall be reduced by an amount equal to the Corresponding Pay-In Amount Loss Shortage Amount pursuant to Number 3.5.2 Paragraph (1); and

[...]

3.12 Indemnity by Clearing Members

[...]

- (2) If on a Settlement Date the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank) and Eurex Clearing AG has already transferred the relevant Prefunding Amount to the relevant CLS Central Bank Account, the Prefunding Amount Payer shall indemnify Eurex Clearing AG by paying on the Settlement Date an amount equivalent to the relevant Prefunding Amount to an account notified to the Prefunding Amount Payer by Eurex Clearing AG for such purpose. Provided that such amount has been paid to Eurex Clearing AG pursuant to the previous sentence, Number 3.2.2.3 Paragraph (1) item (ii) and Paragraph (3) shall apply *mutatis mutandis* as if the Prefunding Amount Payer were an Affected Payer Clearing Member and the provisions of Number 3.2.1 Paragraph (2)(d) on the allocation of a Prefunding Amount to the Transaction Accounts Groups of the Prefunding Amount Payer shall also apply *mutatis mutandis*.
- (3) If on a Settlement Date the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank) and Eurex Clearing AG has already transferred the relevant Late Payment Amount to the relevant CLS Central Bank Account, the Late CM which has paid the Late Payment Amount (“**Late Payment Amount Payer**”) shall indemnify Eurex Clearing AG by paying on the Settlement Date an amount equivalent to the relevant Late Payment Amount to an

account notified to the Late Payment Amount Payer by Eurex Clearing AG for such purpose. Provided that such amount has been paid to Eurex Clearing AG pursuant to the previous sentence, Number 3.2.2.3 ~~Paragraph~~ (1) item (ii) and ~~Paragraph~~ (3) shall apply *mutatis mutandis* as if the Late Payment Amount Payer were an Affected Payer Clearing Member.

[...]

3.16 Suspension of Clearing

If one or more of a Clearing Member's CLS Nostro Banks (i) fail to (A) participate in the Testing and Trialling as set out in Number 3.15 or (B) apply the standard customary for nostro banks in carrying out payment instructions received by the Clearing Member or (ii) become subject to any of the events set out in Chapter I Part 1 Number 7.2.1 ~~Paragraphs~~ (5), (7) or (8), then Eurex Clearing AG may one or more times suspend or limit the Clearing of new OTC FX Transactions of such Clearing Member in accordance with Chapter I Part 2 Subpart A Number 6.2 which shall apply *mutatis mutandis*.

3.17 CLS Nostro Bank

[...]

- (2) If a Clearing Member's CLS Nostro Bank becomes subject to (i) any of the events set out in Chapter I Part 1 Number 7.2.1 ~~Paragraphs~~ (5), (7) or (8) or (ii) any recovery and resolution measures pursuant to the Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen*), or any similar measure under foreign law, or Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, or any similar measure under foreign law, then Eurex Clearing AG has the right to request the substitution of the Clearing Member's CLS Nostro Bank with a substitute CLS Nostro Bank recognised and approved by Eurex Clearing AG without undue delay.