

**Eurex Clearing AG**  
**ECAG Rule Certification 076-20**  
**September 24, 2020**

1. The text of the proposed amendments to the Clearing Conditions (“**Clearing Conditions**”) of Eurex Clearing AG (“**Eurex Clearing**”) and the FCM Regulations (“**FCM Regulations**”) of Eurex Clearing is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. For Amendments Nos. 1-3, 5-6, the date of intended implementation is October 17, 2020. Amendment No. 4 below is subject to a Consultation, which will end on October 26, 2020. The planned effective date of Amendment No. 4 is November 19, 2020, depending on the outcome of the Consultation which will be communicated in a separate Eurex Clearing circular.
3. Attached please find a certification that: (1) these amendments comply with the Commodity Exchange Act (the “Act”), and the Commission’s regulations thereunder; and (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <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.

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

Eurex Clearing is proposing the following amendments:

1. Eurex Clearing is proposing amendments to Chapter VIII (Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions) of the Clearing Conditions and Chapter II (Special Provisions for the Clearing of Interest Rate Derivative Transactions) of the FCM Regulations to provide that, with EurexOTC Clear Release 11.0, the Transaction Type-specific novation criteria of Eurex Clearing will be enhanced to allow for various EurexOTC Clear derivatives including IRS, Basis Swaps, FRA and OIS with extended maximum remaining terms (from the date of novation to the termination date). Details on the maximum allowed maturities for the respective products are provided in the EurexOTC Clear Product List available in the Member Section of Eurex Clearing.
2. Eurex Clearing is proposing amendments to Chapter VIII of the Clearing Conditions and Chapter II of the FCM Regulations to provide for Eurex Clearing’s offer of enhanced clearing eligibility to support variable notional in OIS transactions denominated in EUR, USD, GBP, CHF and JPY

as well as variable notional on OIS-legs in SOFR-USD LIBOR basis swaps, SOFR-EFFR basis swaps, EURIBOR-EONIA basis swaps and EURIBOR-€STR basis swaps.

3. Eurex Clearing is proposing amendments to Chapter VIII of the Clearing Conditions and Chapter II of the FCM Regulations as part of the transition for all USD-denominated EurexOTC Clear derivatives from the Effective Federal Funds Rate (EFFR) to SOFR as the new risk-free rate, and as previously communicated, to implement for OTC Interest Rate Derivative Transactions and Swap Transactions (i.e. IRS) the PAI, PAA and discounting switch from EFFR to SOFR as follows:

A. Transition of the Price Alignment Interest (PAI) and Price Alignment Amount (PAA) and the discounting regime based on EFFR to SOFR in a single step for all USD-denominated OTC Interest Rate Derivative Transactions and Swap Transactions.

B. Compensation for changes in the present values of all affected derivatives induced by the transition by a USD cash credit or debit (e.g. via one-time cash fee instructions on trade level). To mitigate profit-and-loss impacts (positive and negative), resulting from variation margin changes induced by the discounting switch, a mandatory and automatic USD cash debit or credit will be instructed as a fee, ensuring that the discounting switch does not create winners and losers.

The published document “EurexOTC Clear – process and methodology of the FedFunds to SOFR discounting switch” describes the methodology behind the compensation and lists and describes all steps in the compensation process. Further information on these amendments and the discounting switch is available in Eurex Clearing Circular 076-20, which is appended as Attachment A.

4. Eurex Clearing is proposing amendments to Chapter I (General Provisions) of the Clearing Conditions and Chapter I (Clearing Model Related Provisions) of the FCM Regulations to introduce USD with EurexOTC Clear Release 11.0 as a new clearing currency for FCM Clearing Members under the FCM Regulations, based on client demand. Until now, USD has been admitted as margin and product currency at Eurex Clearing, but not as clearing currency. For the avoidance of doubt, the scope of currencies eligible as clearing currencies under the Clearing Conditions (EUR, CHF or GBP) will remain unchanged.
5. Eurex Clearing is proposing amendments to Chapter VIII of the Clearing Conditions and Chapter II of the FCM Regulations to enhance for its EurexOTC Clear service a new portfolio transfer functionality, which provides Members with the possibility to transfer large numbers of trades as a portfolio and calculating the risk on a portfolio level.
6. Eurex Clearing is proposing other minor amendments to Chapter VIII of the Clearing Conditions and Chapters I and II of the FCM Regulations. Specifically, the provisions for account transfers and trade transfers will be aligned by stating that also an account transfer takes places by way of novation.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in 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 C (Participant and Product Eligibility): The proposed amendments will comply with DCO Core Principle C because the amendments enhance the novation criteria and clearing eligibility for certain swaps, further implement the discounting switch for certain swaps, introduce a new clearing currency, and introduce a new portfolio transfer functionality, and all swaps cleared by Eurex Clearing and all functionalities offered by Eurex Clearing will continue to be offered in compliance 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>.

/s/ Eric Seinsheimer

By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: September 24, 2020