

27 Sep 2021
Eurex Clearing

Amendments to the legal framework of Eurex Clearing AG with regards to the Clearing Conditions

Eurex Clearing Circular 088/21 Amendments to the legal framework of Eurex Clearing AG with regards to the Clearing Conditions

1. Introduction

This circular contains information with respect to the service offering of Eurex Clearing AG (Eurex Clearing) and introduces amendments to the Clearing Conditions of Eurex Clearing regarding the following topics:

- ◆ Amendments to Appendix 13 to the Clearing Conditions in the context of the FX Swap Line Contractual Penalty
- ◆ Amendments to Chapter I Part 1 Number 1.15 of the Clearing Conditions in the context of the admission of Disclosed Direct Clients domiciled in Québec in respect to OTC IRD transactions

The amendments will become effective on **2 November 2021**.

2. Required action

There is no required action.

3. Details

Amendments to Appendix 13 to the Clearing Conditions in the context of the FX Swap Line Contractual Penalty

In relation to the OTC Currency Clearing Service for Cross Currency Swaps and OTC FX products, Eurex Clearing plans to reduce the FX Swap Line Contractual Penalty, as determined by Eurex Clearing AG and defined in Appendix 13 of the Clearing Conditions: FX Swap Line Agreement between Eurex Clearing AG and a Clearing Member - from 40 basis points to 5 basis points.

To reflect this amendment, the following clause of Appendix 13 of the Clearing Conditions: FX Swap Line Agreement between Eurex Clearing AG and a Clearing Member - will be amended as outlined in Attachment 1:

- ◆ Appendix 13 – FX Swap Line Agreement between Eurex Clearing AG and a Clearing Member, Clause 13 – Failure to pay

Amendments to Chapter I Part 1 Number 1.15 of the Clearing Conditions in the context of the admission of Disclosed Direct Clients domiciled in Québec in respect to OTC IRD transactions

Eurex Clearing intends to offer clearing services in respect to OTC IRD to Clearing Members / FCM Clearing Members not located in Québec with respect to transactions relating to Disclosed Direct Clients located in Quebec.

Amendments to the Clearing Conditions foresee the introduction of a representation for all Clearing Members that the Clearing Member will not clear OTC Interest Rate Derivative Transactions for:

- I. any Undisclosed Direct Client that is domiciled in Québec,
- II. any Indirect Client of a Disclosed Direct Client that is domiciled in Québec and,
- III. any Indirect Client that is domiciled in Québec of any Direct Client.

Please note that the admission of Disclosed Direct Clients located in Québec will be possible upon Eurex Clearing's internal readiness only.

Publication of amendments to the legal framework of Eurex Clearing

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

[Rules & Regs > Rules and Regulations > Clearing Conditions](#)

The amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first 10 Business Days after publication. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

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

Attachments:

- ◆ Amended section of Appendix 13 – FX Swap Line Agreement between Eurex Clearing AG and a Clearing Member, Clause 13 – Failure to pay
- ◆ Amended section of Chapter I Part 1 Number 1.15 of the Clearing Conditions

Further information

Recipients: All Clearing Members, Basic Clearing Members, Disclosed Direct Clients and vendors of Eurex Clearing AG

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

Contact: **client.services@eurex.com**

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

Authorized by: Jens Janka

Further information

- [Attachment 1 to Eurex Clearing Circular 088/21](#)
- [Attachment 2 to Eurex Clearing Circular 088/21](#)

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Appendix 13 to the Clearing Conditions of Eurex Clearing AG:

FX Swap Line Agreement

between Eurex Clearing AG and a Clearing Member

As of 02.11.2021

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

13. *Failure to pay.* If a Clearing Member (in its capacity as FX Hedge Counterparty) fails to perform its payment obligations under one or more FX Hedging Transactions, the provisions in Chapter I Part 1 Number 7.2.1 of the Clearing Conditions shall not apply. Instead the Clearing Member is obliged to pay the FX Swap Line Contractual Penalty to Eurex Clearing AG, provided that the FX Swap Line Contractual Penalty is only payable once with respect to the same FX Hedging Transaction. The FX Swap Line Contractual Penalty applies regardless of any actual damages incurred by Eurex Clearing AG. The right of Eurex Clearing AG to claim further damages shall remain unaffected. The amount of the FX Swap Line Contractual Penalty – as determined by Eurex Clearing AG – is the equivalent in the relevant Clearing Currency of 40-5 basis points of the payment due under the relevant leg of the relevant FX Hedging Transaction, with a minimum of EUR 2,500.00, CHF 3,000.00 or GBP 2,000.00, as applicable, and a maximum of EUR 10,000,000.00, CHF 12,000,000.00 or GBP 8,000,000.00, as applicable. The amount of the FX Swap Line Contractual Penalty can be amended in accordance with the procedure set out in Chapter I Part 1 Number 17.2 of the Clearing Conditions.

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 02.11.2021

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THE CLEARING CONDITIONS WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Clearing Provisions

1 General Rules

[...]

**1.15 Limitations regarding the Clearing of OTC Derivative Transactions for ~~Ontario~~
Canadian Clients**

In relation to OTC Interest Rate Derivative Transactions, the Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that it will not clear OTC Interest Rate Derivative Transactions for (i) any Undisclosed Direct Client that is domiciled in Ontario (Canada) or Québec (Canada), (ii) any Indirect Client of a Disclosed Direct Client that is domiciled in Ontario (Canada) or Québec (Canada), and (iii) for any Indirect Client that is domiciled in Ontario (Canada) or Québec (Canada) of any Direct Client.

[...]
