

Eurex Clearing AG
ECAG Rule Certification 094/17
September 29, 2017

1. The text of the proposed amendments to the Clearing Conditions of Eurex Clearing AG (“Clearing Conditions”) is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is December 4, 2017.
3. Attached please find a certification that: (1) these amendments comply with the Commodity Exchange Act (the “Act”), and the Commission’s regulations thereunder; and (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <http://www.eurexclearing.com/clearing-en/resources/cftc-dco-filing>.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appears below.
5. There were no opposing views expressed regarding these amended rules.
6. Confidential treatment is not requested.

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

Eurex Clearing is proposing the following amendments to the Clearing Conditions to clarify certain aspects of the close-out-netting arrangements in light of amendments to the German Insolvency Code:

1. First, the proposed amendments detail, in the event of a clearing member default, the timeframe and valuation principles under the Liquidation Price Method and Exchange Price Approach within the Default Management Process. Under the Liquidation Price Approach, the proposed amendments provide that the price of a relevant replacement transaction entered into by Eurex Clearing is determined either at the latest on the fifth business day after the Termination Date, or, to the extent it is required for a value-preserving liquidation, at the latest on the 20th business day after the Termination Date. Additionally, the proposed amendments provide that, if Eurex Clearing does not enter into a replacement transaction, then under the Liquidation Price Approach, the market price on the Termination Date is used, or if no market price is available, model-based prices are used. The proposed amendments also clarify that, under the Exchange Price Approach, the last available market price for the transaction on the Termination Date is used.
2. Second, the proposed amendments clarify certain Termination Rules with respect to Eurex Clearing in case of a Failure to Pay or Insolvency Event. Specifically, the proposed amendments define a new term, Claim for Non-Performance, which represents expired primary obligations

representing the market or exchange value of transactions. The proposed amendments provide the method of determining such Claim for Non-Performance as well as its calculation in either a Failure to Pay or Insolvency Event.

The proposed amendments fall within the scope of the Special Provisions of the Clearing Conditions and are thus subject to the consultation process. The consultation will begin on October 2, 2017 and end on November 3, 2017. All affected customers may submit comments during this timeframe. This consultation period will be followed by the regular notification period of 15 business days, after which the proposed amendments will become effective on December 4, 2017, provided that no more than two affected customers request a prolonged notification period.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in the attached Eurex Clearing Circular 094/17, which is appended as Attachment A.

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

1. DCO Core Principle G (Default Rules and Procedures): The amendments will comply with DCO Core Principle G because the amendments clarify certain close-out-netting provisions, and the default rules of Eurex Clearing will continue to allow for the efficient, fair, and safe management of events during an insolvency or default.

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>.



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Dated: September 29, 2017