

Eurex Clearing AG
ECAG Rule Certification 075-22
October 11, 2022

1. The text of the proposed amendments to the Clearing Conditions (“Clearing Conditions”) of Eurex Clearing AG (“Eurex Clearing”) and Price List (“Price List”) of Eurex Clearing is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is November 1, 2022.
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: <https://www.eurex.com/ec-en/rules-regs/regulations/cftc-dco-filings>.
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 below amendments to the Clearing Conditions and Price List. For avoidance of doubt, the proposed amendments below affect only Chapters II (Transactions Concluded at Eurex Deutschland (Eurex Exchange)), IV (Clearing of Repo Transactions), and V (Transactions Concluded at the Frankfurter Wertpapierbörse (“FWB”)), all of which Eurex Clearing clears outside the scope of its DCO license, which applies only to swaps.

A. Optimized Trade Date Netting for FWB Transactions

The proposed amendments reflect Eurex Clearing’s introduction of Optimized Trade Date Netting (“OTDN”) as a new optional service for FWB Transactions with C7 Securities Clearing Service (“C7 SCS”) Release 2.1. Currently, C7 SCS performs Trade Date Netting as its basic netting model per transaction account with the consequence of a separate transaction netting per DC Market Participant. OTDN will enable Clearing Members to apply transaction netting across transaction accounts of several DC Market Participants.

B. Obligation to Provide Italian Tax Identification Number (“TIN”)

Revenues of the final economic beneficiary arising from the settlement of Italian debt securities are subject to Italian withholding tax. Under certain conditions, a settlement party can apply for tax-exemption at the

Settlement Location. In this case, the relevant holder of the settlement account has to register the Italian TIN of the final beneficiary at the Settlement Location for the respective settlement account.

Therefore, Eurex Clearing introduced in 2009 the obligation for Clearing Members to provide its own Italian TIN and the Italian TIN of all of its Trading Members as pre-requisite for the clearing of (i) Euro-BTP Fixed Income Futures at Eurex Deutschland (only if settled via Clearstream Banking AG) and (ii) Italian debt instruments at Eurex Repo. The proposed amendments will reflect this obligation.

C. Maximum Prices for Cash Settlements and Buy-Ins

In response to the introduction of CSDR penalties in February 2022 and in order to achieve harmonization with other European markets, Eurex Clearing plans to reduce the additional fee in case of the occurrence of a cash settlement after a non-delivery of securities (besides fixed income securities) or rights under FWB Transactions from 100 percent to now 10 percent of the settlement price as determined by Eurex Clearing.

In addition, Eurex Clearing plans to delete several redundant provisions regarding the determination of the maximum offer prices for buy-in auctions as such provisions are already included in the Auction Terms.

D. Clarification on Fractions Handling for Corporate Auctions

Since the introduction of C7 SCS Release 1.0, the processing of corporate actions events occurring with respect to non-delivered securities is fully performed by and in accordance with the rules of the relevant Settlement Location. This includes the handling of fractions in securities resulting from the market claim and transformation processing. Depending on the market and the corporate action event, the Settlement Location either compensates fractions in cash or disregards any fraction. In addition to the fractions processing by the Settlement Locations, Eurex Clearing does not take any additional action to compensate such fractions in cash. The proposed amendments clarify this process.

E. Clarification on Corporate Actions and Related Contractual Parties

Settlement Locations process corporate action events occurring with in respect to of non-delivered securities in accordance with their market-specific calendars. These calendars may deviate from the TARGET2 calendar which is used by Eurex Clearing for securities clearing in C7 SCS. Thus, it may happen that the record date of a corporate action event falls on a TARGET2 holiday, e.g. Labour Day, and the Settlement Location generates instructions for a market claim or a transformation on that day, while C7 SCS is closed. Therefore, the proposed amendments provide that all outdated passages relating to corporate actions which states that “assignments and payments shall be performed [by Eurex Clearing] on the next following Business Day” are removed in Clearing Conditions.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in Eurex Clearing Circular 075-22, 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 E (Settlement Procedures): The proposed amendments will comply with DCO Core Principle E because the amendments provide for certain clarifications in limited settlement situations affecting only classes of products Eurex Clearing clears outside the scope of its DCO

license, which applies only to swaps. All products cleared by Eurex Clearing under its DCO license will continue to be subject to appropriate standards 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: <https://www.eurex.com/ec-en/rules-regs/regulations/cftc-dco-filings>.

/s/ Eric Seinsheimer

By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: October 11, 2022