

Eurex Clearing AG
ECAG Rule Certification 097-19
October 28, 2019

1. The text of the proposed amendments to the Clearing Conditions (“**Clearing Conditions**”) of Eurex Clearing AG (“**Eurex Clearing**”) and FCM Regulations of Eurex Clearing (“**FCM Regulations**”) is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is November 18, 2019.
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:

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 Clearing of Interest Rate Derivative Transactions) of the FCM Regulations to reflect the discontinuation of the product offerings with the reference interest rate of the 12M GBP LIBOR due to the illiquidity of the curve. Accordingly, the Stub Periods will be allowed up to 7M for GBP.
2. The proposed amendments reflect changes adopted to the variation margin formula for transactions covered by Chapter VIII of the Clearing Conditions and Chapter II of the FCM Regulations. With these changes, next-day cash flows (fees and coupons) will be discounted in the variation margin calculation in order to ensure cash flow flatness in the event of a post-trade event. In addition, for trades in a given trade currency, variation margin will also be calculated on currency payment calendar holidays if these are business days according to the TARGET calendar.

3. Eurex Clearing is proposing amendments to Chapter VIII of the Clearing Conditions and Chapter II of the FCM Regulations to reflect the change from EONIA to €STR. Accordingly, Eurex Clearing will accept the following €STR-based products:
 - Euro overnight index swaps (fix for float) referencing the €STR benchmark (up to 50 years);
 - Eligibility of overnight interest swaps (OIS) denominated in euro with a spread on the floating leg of the trade (the spread is treated as simple interest above the self-compounding floating rate); and
 - €STR-Euribor (up to 50 years) basis swaps and EONIA-Euribor basis swaps (float for float).
4. In Eurex Clearing Rule Certification 085-19 and accompanying Eurex Clearing Circular 085-19, Eurex Clearing implemented trigger events and a fallback waterfall for the event that an index ceases to exist permanently. The proposed amendments will provide explicitly, in line with bilateral market practice, that an index recommended by the central bank or the regulatory supervisory of the index administrator may be used.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in Eurex Clearing Circular 097-19, which is attached Attachment A.

Eurex Clearing has identified the following derivatives clearing organization (“DCO”) Core Principles 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 discontinue one swap product offering, reflect the transition of a swap offering, and clarify index cessation events, and Eurex Clearing will continue to comply with this Core Principle.
2. DCO Core Principle D (Risk Management): The proposed amendments will comply with DCO Core Principle C because the amendments adopt changes to the variation margin formula, and Eurex Clearing will continue to comply 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>.



By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: October 28, 2019