

01 Nov 2022  
Eurex Clearing

# OTC IRD: Introduction of an OTC IRD Client Activation Program

## Eurex Clearing Circular 080/22 OTC IRD: Introduction of an OTC IRD Client Activation Program

### 1. Introduction

Effective today, Eurex Clearing introduces the following Client Activation Program to support the announcement of the European Commission to promote clearing of EUR-denominated OTC Interest Rate Derivatives (IRD) transactions in the EU 27:

**OTC IRD Client Activation Program 2023 for Disclosed Direct Clients, FCM Clients and ISA Direct Clearing Members which enables participating clients to qualify for an attractive incentive reward of up to EUR 50,000. Registration for the incentive program is free of charge and possible until 31 March 2023.**

#### Cornerstones of the OTC IRD Client Activation Program 2023:

- ◆ This offer is available to **Disclosed Direct Clients, FCM Clients and ISA Direct Clearing Members** (collectively referred to as “Disclosed Clients”), for any limitations please refer to point 3. b) of this circular

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- ◆ **Registration for the OTC IRD Client Activation Program is possible until 31 March 2023 using the following link to the online registration form: [Registration Form](#)**

Each Disclosed Client may only register once for the OTC IRD Client Activation Program 2023.

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- ◆ Participating Disclosed Clients may qualify for a **total incentive**

**reward of up to EUR 50,000 which will be paid out directly to the client if each of the milestones defined by Eurex Clearing are satisfied until 31 December 2023 by the respective Disclosed Client** (see details below)

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- ◆ Registration is free of charge

## 2. Required action

Disclosed Clients may register for the OTC IRD Client Activation Program 2023 by way of completing the following online registration form. Please proceed with the following steps:

- i. Complete and submit the online registration form for the OTC IRD Client Activation Program 2023 by **no later than 31 March 2023: Registration Form.**

Upon registration, you will receive an e-mail by Eurex Clearing to the e-mail address provided in the online form to confirm your successful registration for the OTC IRD Client Activation Program 2023 (please note, reception of the confirmation e-mail may take up to 48 hours).

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- ii. Provide your payment details for the payout of the incentive reward via the online registration form, or by e-mail to the address [activation.program2023@eurex.com](mailto:activation.program2023@eurex.com) by **no later than 31 December 2023.**

If you send your payment details by e-mail, please include company name, Legal Entity Identifier (LEI) and your Eurex Clearing Member ID (if applicable), so that the required information can be properly attributed.

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- iii. Become active and meet the milestones defined in the OTC IRD Client Activation Program 2023 **until 31 December 2023** to qualify for the total incentive reward of up to EUR 50,000.

## 3. Details of the initiative

### a) Overview of the OTC IRD Client Activation Program 2023

The OTC IRD Client Activation Program 2023 is designed to promote the clearing of OTC Interest Rate Swap (IRS), Overnight Index Swap (OIS), Basis Swap and/or Zero Coupon Inflation Swap (ZCIS) transactions relating to Disclosed Direct Clients, FCM Clients or ISA Direct Clearing Members (collectively referred to as "**Disclosed Clients**"). Participating Disclosed Clients may qualify for a swap incentive reward in the amount of EUR 40,000 as well as

an inflation incentive reward in the amount of EUR 10,000 which together result in a total incentive reward of up to EUR 50,000.

The respective incentive reward will be granted if a participating Disclosed Client satisfies each of the milestones corresponding to the respective incentive by no later than 31 December 2023. An overview of the incentive rewards and corresponding milestones as well as further explanations to the milestones is provided below:

### 1) Swap Incentive:

- ◆ **Incentive Reward:** One-off payment of EUR 40,000
- ◆ **Milestone 1** (Cut-Off Date 31 Dec 2023): Participation in Eurex Clearing's client survey 2023
- ◆ **Milestone 2** (Term: 1 Jan 2023 until 31 Dec 2023): Clearing of IRS, OIS and Basis Swap transactions with a minimum remaining maturity of 2 years at the time of novation and a cumulated cleared notional volume of at least EUR 2.5 billion
- ◆ **Milestone 3** (Observation Dates: 31 Oct 2023, 30 Nov 2023, 30 Dec 2023): Initial margin requirement for OTC IRD of at least EUR 50 million

### 2) Inflation Incentive:

- ◆ **Incentive Reward:** One-off payment of EUR 10,000
- ◆ **Milestone 1** (Cut-Off Date 31 Dec 2023): Participation in Eurex Clearing's client survey 2023
- ◆ **Milestone 2** (Term: 1 Jan 2023 until 31 Dec 2023): Clearing of ZCIS transactions with a minimum remaining maturity of 2 years at the time of novation and a cumulated cleared notional volume of at least EUR 150 million

### Further explanations to the milestones:

Milestone 1: Eurex Clearing plans to issue a product and services related client survey in 2023. Registered Disclosed Clients need to participate in this survey (one-time participation is sufficient for both, swap incentive and inflation incentive rewards) until and including 31 December 2023 to qualify for an incentive reward. The survey will be provided to the registered Disclosed Client by e-mail.

Milestone 2: For the qualification of the swap incentive reward, it is required to clear own OTC IRS, OIS and Basis Swap transactions with a minimum remaining maturity of 2 years at the time of novation and a cumulated cleared notional volume of EUR 2.5 billion in the period from, and including, 1 January 2023 to, and including, 31 December 2023.

For the qualification of the inflation incentive reward, it is required to clear own OTC ZCIS transactions with a minimum remaining maturity of 2 years at the time of novation and a cumulated cleared notional volume of EUR 150 million in the period from, and including, 1 January 2023 to, and including, 31 December 2023.

Cleared notional volumes which are reported to Eurex Clearing in the context of Eurex Clearing's CCP Switch Incentive Program 2023 are explicitly excluded from the OTC IRD Client Activation Program 2023 and do not count towards the volume thresholds defined for Milestone 2.

**Milestone 3:** For the qualification of the swap incentive reward, the initial margin requirement relating to the own OTC Interest Rate Derivatives of the Disclosed Client must at least be equal to EUR 50 million (or equivalent in any other Clearing Currency) on any of the following dates 31 October 2023, 30 November 2023 or 30 December 2023, as determined by Eurex Clearing. There is no Milestone 3 which needs to be achieved for the inflation incentive reward.

If the Disclosed Client requested the performance measurement to be limited to certain own transaction accounts, Eurex Clearing will disregard any other transactions accounts in its performance determination.

### **b) Eligible Participants for the OTC IRD Client Activation Program 2023**

The OTC IRD Client Activation Program 2023 is only available to Disclosed Clients that have not been registered for the Discounted OTC IRD GOLD Pack or Basic Pack or any other rebate scheme offered by Eurex Clearing in relation to OTC IRD.

Disclosed Clients may register for the OTC IRD Client Activation Program 2023 regardless of whether a Member ID has been assigned to the Disclosed Client by Eurex Clearing, provided that

(i) if an account manager, fund manager or other authorized representative has been entered as such in the systems of Eurex Clearing to act for one or more Disclosed Clients, including without limitation, in case of a so-called fund manager or account manager set up, the relevant Disclosed Clients may not register individually and only a single registration for the OTC IRD Client Activation Program 2023 by the relevant account manager, fund manager or other authorized representative that has been entered as such in the systems of Eurex Clearing shall be permitted and

(ii) a single Disclosed Client shall only be permitted to register once for the OTC IRD Client Activation Program 2023, including where multiple Member IDs have been assigned to such Disclosed Client or where multiple transaction accounts have been set up for such Disclosed Client.

### c) Payment of the OTC IRD incentive reward

The individually achieved incentive reward of up to EUR 50,000 will be paid out in full as one-off payment via bank transfer to the Disclosed Client in January 2024.

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.

#### Attachment:

- ◆ Overview: OTC IRD Client Activation Program 2023

#### Further information

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

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

Contact: FixedIncome.Sales@eurex.com

Web: [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/)

Authorized by: Matthias Graulich

### Further information

[↓ Attachment to Eurex Clearing circular 080/22](#)

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# OTC IRD Client Activation Program 2023

## Client Activation Program 2023 in a nutshell:

- **One Incentive Package with attractive rewards of up to EUR 50k available;** Clients may register until 31 March 2023
- Registration is free of charge
- Qualification for package reward once all milestones of respective incentive are satisfied
- Individually achieved **incentive reward of up to EUR 50k** paid out in full directly to the participant in January 2024

Package Reward (one-off payment of)		Milestone 1 Cut-off date: 31 Dec 2023	Milestone 2 Term: 1 Jan 2023 – 31 Dec 2023	Milestone 3 Observation Dates: 31 Oct 2023 30 Nov 2023 30 Dec 2023
1) Swap Incentive	EUR 40k 	Participation in client survey	Cum. Cleared Notional of EUR 2.5bn <sup>2)</sup>	Initial Margin of EUR 50mn
2) Inflation Incentive	EUR 10k	Participation in client survey	Cum. Cleared Notional of EUR 150mn <sup>2)</sup>	n/a

## Milestones explained:

**Milestone 1:** Participation in Eurex Clearing's product & services client survey **until 31 December 2023**

(one-time participation sufficient for both, swap incentive and inflation incentive reward)

**Milestone 2:** In the period from **1 January 2023 to 31 December 2023:**

- **Swap Incentive Reward:** Clear own IRS, OIS and/or Basis Swap transactions<sup>2)</sup> with a cumulated cleared notional volume of EUR 2.5bn
- **Inflation Incentive Reward:** Clear own ZCIS transactions<sup>2)</sup> with a cumulated cleared notional volume of EUR 150mn

**Milestone 3:** Only for Swap Incentive Reward – Initial Margin requirement relating to own OTC IRD transactions of at least EUR 50mn on any of the following dates: **31 Oct 2023, 30 Nov 2023 or 30 Dec 2023** (only the IM on these dates will be taken into account)

## Eligible Participants<sup>1)</sup>:

- **ISA Direct Clearing Members and Disclosed Direct Clients including FCM Clients with and without Member ID**
- In case of a fund manager / account manager setup only the authorized fund / account manager is eligible to participate in the incentive program

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<sup>1)</sup> Excluded clients: <sup>1)</sup> Clients which subscribe to any OTC IRD GOLD Pack or BASIC Pack rebate scheme

<sup>2)</sup> In a fund / account manager setup: The respective funds may not register individually for the program

Excluded trades: CCP switches which fall under the CCP Switch Incentive Program do not count towards the volume milestones

<sup>2)</sup> For the qualification of the incentive reward, it is required to clear own Interest Rate Derivatives transactions with a minimum remaining maturity of 2 years at the time of novation

Registration  
open until  
**31 March 2023**

Reward  
up to **50.000 Euro**  
per client

Total Value  
of Program to Clients  
of as much as  
**EUR 25mn**