

28 Nov 2022
Eurex Clearing

Amendments to the Clearing Conditions of Eurex Clearing - Consultation - Implementation of Article 9 (14) of Regulation (EU) 2021/23 (“Second Skin in the Game”)

Eurex Clearing Circular 088/22 Amendments to the Clearing Conditions of Eurex Clearing - Consultation - Implementation of Article 9 (14) of Regulation (EU) 2021/23 (“Second Skin in the Game”)

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 (Clearing Conditions) and the FCM Default Rules of Eurex Clearing (FCM Default Rules) regarding the following topic:

- ◆ Implementation of the regulatory requirement on a “Second Skin in the Game” (SSITG) stipulated by Article 9 (14) Regulation (EU) 2021/23 (CCP Recovery & Resolution Regulation).

The amendments to the Clearing Conditions regarding the above topic are subject to a consultation process (Consultation). The Consultation will end on **28 December 2022** (Consultation Period). The planned effective date of these amendments is **12 February 2023**, depending on the outcome of the Consultation which will be communicated in a separate Eurex Clearing circular.

The amendments to the FCM Default Rules will become effective as of **12 February 2023**.

2. Required action

The amendments to the Clearing Conditions are subject to a Consultation which will end with the expiry of **28 December 2022**.

Eurex Clearing herewith invites all Affected Customers to submit comments on the proposed changes and amendments within the Consultation Period.

3. Details of the initiative

Article 9 (14) of the CCP Recovery & Resolution Regulation requires Eurex Clearing to implement a second layer of pre-funded own resources, called SSITG. The SSITG shall cover default and non-default events.

Eurex Clearing's participation in the Default Waterfall – Status Quo

Currently, Eurex Clearing contributes to the Default Waterfall at two levels:

- ◆ Immediately after the Contributions of the defaulting Clearing Member and prior to the Contributions of the non-Defaulting Clearing Members, Eurex Clearing realizes its “Dedicated Amount” (First “Skin in the Game” (SITG)) of 200 million euro
- ◆ Secondly, when requesting the non-defaulting Clearing Members to provide Further Contributions to the Default Fund (“Assessments”), Eurex Clearing contributes on a pro-rata basis with its “Further Dedicated Amount” (FDA) of up to 300 million euro.

Eurex Clearing's participation in the Default Fund after the implementation of the SSITG

With the introduction of SSITG, Eurex Clearing refines its participation to the Default Waterfall. Overall, Eurex Clearing's contribution will remain well above the regulatory requirements. Eurex Clearing will redistribute its currently prefunded amount of 200 million euro between the SITG and the SSITG, in the same proportion to the regulatory requirements. The “Dedicated Amount” (SITG) will amount to 143 million euro and the SSITG to 57 million euro.

Eurex Clearing's FDA of up to 300 million euro will remain unchanged.

SSITG will follow the current segmented structure of the Default Waterfall as described and shown in the graph below. SSITG will be split in segments proportionally to the Liquidation Group size, similarly to the Default Fund of the Clearing Members. Each SSITG segment will be utilized just after the corresponding segment of the non-defaulted Clearing Members. The remaining order of priority of other layers in the Default Waterfall remains unchanged.

Eurex Clearing's affected Default Fund layers shall be refined as described below (new or changed layers shown in **bold**):

1. Default Fund Contribution of the Defaulted Clearing Member
 - a. Contributions relating to the segments (Liquidation Groups) where losses remain (so-called Liquidation Group Ratio)

- b. Contributions relating to segments (Liquidation Groups) where all losses are covered, and Contributions remain (so-called spill-over)
2. In case of a defaulting Basic Clearing Member (BCM) only: Further Contributions for such defaulted BCM (assessments) provided by Clearing Agent
 - a. Further Contributions relating to the segments where losses remain (so-called Liquidation Group Ratio)
 - b. Further Contributions relating to segments where all losses are covered, and Further Contributions remain (so-called spill-over)
 3. Dedicated Amount of Eurex Clearing (SITG - **now amounting to 143 million euro**)
 - a. Dedicated Amount relating to segments where losses remain (so-called Liquidation Group Ratio)
 - b. Dedicated Amount relating to segments where no losses remain or from segments not affected at all (so-called spill-over)
 4. "Juniorized" Default Fund Contribution of non-defaulted Clearing Members being Non-Bidders / any BCM Contributions of the defaulted Clearing Agent
 - a. Contributions relating to segments where losses remain, and non-defaulting Clearing Members did not provide auction bids (so-called Liquidation Group Ratio)
 - b. Contributions relating to segments with respect to which the non-defaulting Clearing Members did not provide bids, but where all losses are covered, and Contributions remain
 5. "Standard" Default Fund Contribution of non-defaulted Clearing Members / SSITG
 - a. Contributions of non-defaulting Clearing Members relating to segments where losses remain (so-called Liquidation Group Ratio)
 - b. Additional contribution of Eurex Clearing (SSITG)** relating to the Segments where losses remain
 - c. Contributions of non-defaulting Clearing Members relating to segments where all losses are covered, and Contributions remain, or segments not affected at all (so-called spill-over)
 - d. Remaining additional contribution of Eurex Clearing (SSITG spill-over)** relating to segments where all losses are covered, and Contributions remain or segments where no losses remain or segments not affected at all
 6. "Seniorized" Default Fund Contribution of non-defaulted Clearing Members, which won Hedging Auctions
 - a. Contribution relating to segments where losses remain and with respect to which the non-defaulting Clearing Members won Hedging Auctions (so-called Liquidation Group Ratio)
 - b. Contributions relating to segments where all losses are covered, and

Contributions remain and with respect to which the non-defaulting Clearing Members won Hedging Auctions (so-called spill-over)

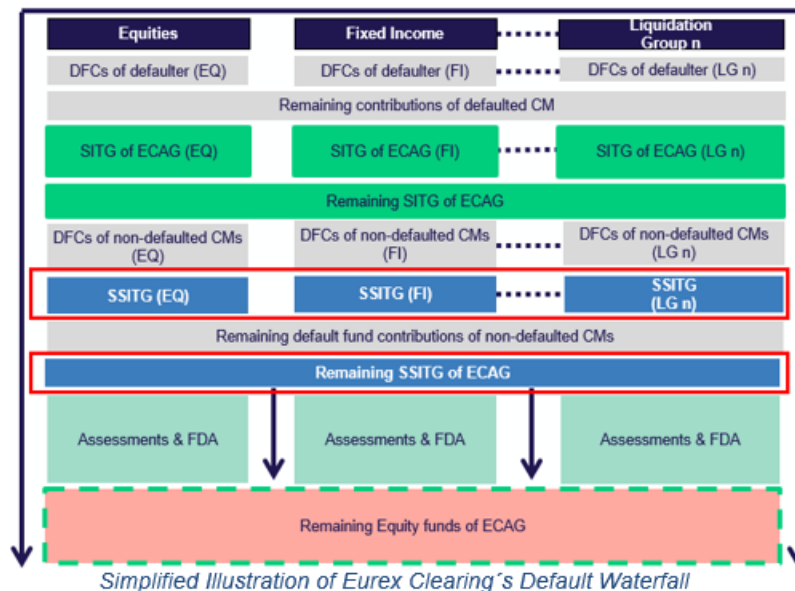
7. "Juniorized" Further Contribution of non-defaulted Clearing Members (Assessments)

a. Further Contributions relating to segments where losses remain (so-called Liquidation Group Ratio) – here no spill-over applies

8. "Standard" Further Contributions of non-defaulted Clearing Members (Assessments) and Further Dedicated Amount by Eurex Clearing (FDA 300 million euro maximum)

a. Further Contribution / FDA relating to segments where losses remain (so-called Liquidation Group Ratio) – here no spill over applies

For further details on Eurex Clearing's Liquidation Groups please refer to the Eurex Clearing website www.eurex.com/ec-en/ under the following link: **Services > Risk parameters**



In order to ensure compliance with regulatory requirements stipulated by Regulation (EU) 2021/23, Eurex Clearing is entitled to use SSITG earlier within the above illustrated order of priority.

To reflect the proposed changes, the following provisions will be added as outlined in Attachments 1 to 2:

- ◆ Attachment 1: Chapter I Part 1 Numbers 6.1.3 and 6.2.1 of the Clearing Conditions
- ◆ Attachment 2: Numbers 3.1.3 and 3.2.1 of the FCM Default Rules

Consultation with respect to the amendments to the Clearing Conditions

Pursuant to Chapter I Part 1 Number 17 of the Clearing Conditions, the proposed changes and amendments to the Clearing Conditions are subject to

a Consultation which will end with the expiry of **28 December 2022**.

Eurex Clearing herewith invites all Affected Customers to submit comments on the proposed changes and amendments within the Consultation Period.

During the Consultation Period, comments on proposed changes or amendments shall be only submitted through a web-based commenting service for which a registration form is available on the Eurex Clearing website under the following link: link: **Find > Forms**.

The form has to be duly signed and returned to Eurex Clearing via e-mail to SpecialProvisions@eurex.com, in order to obtain a User ID and Password together with a link for accessing the web-based commenting service.

To the extent that Eurex Clearing decides to implement any comments received during the Consultation, the so-amended version of the Clearing Conditions will be published after the Consultation.

The currently envisaged effective date of the changes is **12 February 2023**. However, after the Consultation Period, Eurex Clearing will issue a separate circular to announce the concrete date on which the proposed changes (as the case may be, implementing comments received during the Consultation) will come into effect.

This announcement will be made with at least 15 Business Days' notice (Regular Notification Period). However, if Eurex Clearing should receive a request for a Prolonged Notification Period from more than two Affected Customers during the Consultation Period, a Prolonged Notification Period as set out in the Clearing Conditions will be applied and Eurex Clearing will notify all affected parties accordingly.

Publication of amendments to the Clearing Conditions, FCM Regulations and the FCM Default Rules

As of the effective date, the full versions of the amended Clearing Conditions, FCM Regulations and the FCM Default Rules will be available for download on the Eurex Clearing website www.eurex.com/ec-en/ under the following link:

Rules & Regs > Eurex Clearing Rules and Regulations

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 prior to the relevant effective date(s) as stipulated in this circular. In case of an objection by the respective contractual party pursuant the preceding sentence, Eurex Clearing AG is entitled to terminate the respective contract (including a Clearing Agreement, if applicable). Instead of submitting an objection, the respective contractual party may submit in

writing to Eurex Clearing AG comments to any amendments of the legal framework of Eurex Clearing AG within the first 10 Business Days after the publication of the amendments. Eurex Clearing AG shall assess whether these comments prevent the published amendments from becoming effective taking into account the interests of Eurex Clearing AG and all contractual parties.

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:

1. Updated sections of the Clearing Conditions of Eurex Clearing AG
2. Updated sections of the FCM Default Rules of Eurex Clearing AG

Further information

Recipients: All Clearing Members, ISA Direct Clearing Members, Disclosed Direct Clients, FCM Clearing Members of Eurex Clearing, vendors and other affected contractual parties

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: Dmitrij Senko

Further information

[!\[\]\(104fbf564e2e5a8fbd84f31656d114c7_img.jpg\) Attachment 1 to Eurex Clearing circular 088/22](#)

[!\[\]\(aab88c0d099e5d18d6533a97b13ec28d_img.jpg\) Attachment 2 to Eurex Clearing circular 088/22](#)

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Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 12.02.2023

AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED,
DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Clearing Provisions

[...]

6 Default Fund

[...]

6.1 Contributions to the Default Fund

[...]

6.1.3 Eurex Clearing AG's dedicated own resources to the Default Fund

(1) Eurex Clearing AG will dedicate own resources to the Default Fund (the “Dedicated Amount”) to be used, if a Clearing Member Termination Date with respect to one or more Clearing Members, an ISA Direct Clearing Member Termination Date with respect to one or more ISA Direct Clearing Members or an FCM Clearing Member Termination Time with respect to one or more FCM Clearing Members occurs in accordance with the order of priority as defined under Number 6.2.1 below.

The Dedicated Amount will be published on the Eurex Clearing Website.

(2) In addition to the Dedicated Amount, Eurex Clearing AG will further dedicate additional own resources to the Default Fund in accordance with the CCP Recovery and Resolution Regulation (the so-called second skin in the game - “SSITG”).

The SSITG shall be used, if a Clearing Member Termination Date with respect to one or more Clearing Members, an ISA Direct Clearing Member Termination Date with respect to one or more ISA Direct Clearing Members or an FCM Clearing Member Termination Time with respect to one or more FCM Clearing Members occurs in accordance with the order of priority as defined under Number 6.2.1 below. In case Eurex Clearing AG exercises one of its rights under Number 7.5.4 and provided that one or more recovery indicators as outlined in Eurex Clearing AG's recovery plan have been triggered when exercising such rights, Eurex Clearing AG shall be entitled

to change the order in which the SSITG shall be realised within the order of priority under Number 6.2.1 below.

The SSITG will be published on the Eurex Clearing Website.

For the avoidance of doubt, the SSITG shall also be used by Eurex Clearing AG to cover any losses arising from the occurrence of a Non-Default Loss.

6.2 Realisation of the Default Fund

[...]

6.2.1 Order of Priority

In the case of a Realisation Event, the Contributions and Further Contributions will be realised in accordance with the following order of priority:

[...]

(10) SSITG

Tenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of the SSITG.

“Liquidation Group Ratio” with respect to this Paragraph (10) means the fraction of the available SSITG which may be realised with respect to the Relevant Liquidation Group under this Paragraph (10) and which will be determined as the ratio of (A) the part of the sum of all Initial Margin requirements (under the Clearing Conditions or the FCM Regulations) and all Additional Margin requirements of all Clearing Members and FCM Clearing Members determined for such Relevant Liquidation Group and (B) the sum of all Initial Margin requirements (under the Clearing Conditions and the FCM Regulations) and all Additional Margin requirements of all Clearing Members and FCM Clearing Members determined for all Liquidation Groups.

~~(10)~~ Remainder of Contributions of Clearing Members and FCM Clearing Members that are not non-bidding auction participants

~~Tenth~~Eleventh, Eurex Clearing AG shall realise the Applicable CM/FCM Remainder Amounts of all Clearing Members, Clearing Agents and FCM Clearing Members.

“Applicable CM/FCM Remainder Amount” with respect to this Paragraph ~~(10)~~ means the available Non-Affected CM Contribution, Non-Affected ISA Direct Clearing Member Contribution or Non-Affected FCM Contribution of the relevant Clearing Member, Clearing Agent or FCM Clearing Member which may be realised under this Paragraph ~~(10)~~ and which will be determined as the product of (A) the ratio of (AA) the Remainder Amount of the relevant Clearing Member, Clearing Agent or FCM Clearing Member and (BB) the aggregate of all Remainder Amounts of all Clearing Members, Clearing Agents and FCM Clearing Members and (B) the

Default Fund Secured Claims which have not been discharged. The Applicable CM/FCM Remainder Amount cannot exceed the Remainder Amount of the relevant Clearing Member, Clearing Agent or FCM Clearing Member.

“Remainder Amount” with respect to this Paragraph (~~4~~11) means with respect to the relevant Clearing Member, Clearing Agent or FCM Clearing Member, the aggregate of

[...]

Eurex Clearing AG will allocate all Applicable CM/FCM Remainder Amount of all Clearing Members, Clearing Agents and FCM Clearing Members to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (~~9~~10), on a pro-rata basis.

(12) Remainder of SSITG

Twelfth, Eurex Clearing AG will realise the Remainder Amount relating to the SSITG.

“Remainder Amount” means with respect to this Paragraph (12) the aggregate of

- (i) all remainders of the SSITG under all Relevant Liquidation Groups which have been determined but have not been realised pursuant to Paragraph (10), and
- (ii) the Liquidation Group Ratio of the SSITG determined under Paragraph (10) relating to any other Liquidation Group which is not a Relevant Liquidation Group.

Eurex Clearing AG will allocate the Remainder Amount to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (11), on a pro-rata basis.

(13~~4~~) Seniorised Hedging Contributions

~~Eleventh~~Thirteenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

[...]

“Liquidation Group Ratio” with respect to this Paragraph (~~4~~13) means the fraction of the available Non-Affected CM Contributions, Non-Affected ISA Direct Clearing Member Contributions or Non-Affected FCM Contributions which may be realised with respect to the Relevant Liquidation Group under this Paragraph (~~4~~13) and which will be determined as follows:

[...]

(12~~4~~) Remainder of Seniorised Hedging Contributions

~~Twelfth~~Fourteenth, Eurex Clearing AG will realise the Applicable CM/FCM Remainder Amounts of all Clearing Members, Clearing Agents and FCM Clearing Members that are Winning Hedging Auction Participants.

“Applicable CM/FCM Remainder Amount” with respect to this Paragraph (~~42~~14) means the available Non-Affected CM Contribution, Non-Affected ISA Direct Clearing Member Contribution or Non-Affected FCM Contribution of the relevant Clearing Member, Clearing Agent or FCM Clearing Member which may be realised under Paragraph (~~42~~14) and which will be determined as the product of (A) the ratio of (AA) the Remainder Amount of the relevant Clearing Member, Clearing Agent or FCM Clearing Member and (BB) the aggregate of all Remainder Amounts of all Clearing Members, Clearing Agents and FCM Clearing Members and (B) the Default Fund Secured Claims which have not been discharged. The Applicable CM/FCM Remainder Amount cannot exceed the Remainder Amount of the relevant Clearing Member, Clearing Agent or FCM Clearing Member.

“Remainder Amount” with respect to this Paragraph (~~42~~14) means with respect to the relevant Clearing Member, Clearing Agent or FCM Clearing Member, the aggregate of all remainders of Non-Affected CM Contribution, Non-Affected ISA Direct Clearing Member Contribution or Non-Affected FCM Contribution of the relevant Clearing Member, Clearing Agent or FCM Clearing Member under all Relevant Liquidation Groups which have been determined but have not been realised pursuant to Paragraph (~~44~~13).

Eurex Clearing AG will allocate all Applicable CM/FCM Remainder Amounts of all Clearing Members, Clearing Agents and FCM Clearing Members to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (~~44~~13), on a pro-rata basis.

(~~153~~) Further Contributions of non-bidding auction participants

~~Thirteenth~~Fifteenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

[...]

“Liquidation Group Ratio” with respect to this Paragraph (~~43~~15) means the fraction of the available CM Further Contribution, Non-Affected ISA Direct Clearing Member Further Contribution and FCM Further Contribution which may be realised with respect to the Relevant Liquidation Group under this Paragraph (~~43~~15) and which will be determined as follows:

[...]

(~~164~~) Further Contributions of Clearing Members and FCM Clearing Members that are not non-bidding auction participants

~~Fourteenth~~Sixteenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

[...]

“**Liquidation Group Ratio**” with respect to this Paragraph (4416) means the fraction of the available CM Further Contribution, Non-Affected ISA Direct Clearing Member Further Contribution, FCM Further Contribution and Further Dedicated Amount which may be realised with respect to the Relevant Liquidation Group under Paragraph (4416) and which will be determined as follows:

[...]

6.2.2 Further requirements with respect to the order of priority

In addition, Eurex Clearing AG considers the following additional requirements when determining the order of priority in accordance with this Number 6.2.1:

- (a) With respect to the realisation of the Contributions and the Dedicated Amount under Paragraphs (1) to (16), (2), (3), (4), (5), (6), (7), (9), (11), (13) and (14), the order of priority shall be applied to all Relevant Liquidation Groups simultaneously before, in each case, the respective next paragraph is applied.
- (b) If in case of Paragraphs (7), (9), (4413), (4315) and (4416), with respect to a Relevant Liquidation Group the available

[...]

[...]

FCM Default Rules of Eurex Clearing AG

As of 12.02.2023

	Eurex05e
FCM Default Rules of Eurex Clearing AG	As of 12.02.2023
	Page 2

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

3 Contributions to the Default Fund by an FCM Clearing Member

3.1 Contributions to the Default Fund

[...]

3.1.3 Eurex Clearing AG's dedicated own resources to the Default Fund

(1) Eurex Clearing AG will dedicate own resources to the Default Fund (the "**Dedicated Amount**") to be used, if a Termination Time with respect to one or more FCM Clearing Members, a Clearing Member Termination Date with respect to one or more Clearing Members or an ISA Direct Clearing Member Termination Date with respect to one or more ISA Direct Clearing Members occurs in accordance with the order of priority as defined under Number 3.2 below.

The Dedicated Amount will be published on the Eurex Clearing Website.

(2) In addition to the Dedicated Amount, Eurex Clearing AG will further dedicate additional own resources to the Default Fund in accordance with the CCP Recovery and Resolution Regulation (the so-called second skin in the game - "**SSITG**").

The SSITG shall be used, if a Termination Time with respect to one or more FCM Clearing Members, a Clearing Member Termination Date with respect to one or more Clearing Members or an ISA Direct Clearing Member Termination Date with respect to one or more ISA Direct Clearing Members occurs in accordance with the order of priority as defined under Number 3.2.1 below. In case Eurex Clearing AG exercises one of its rights under Chapter I Number 9.6 of the FCM Regulations and provided that one or more recovery indicators as outlined in Eurex Clearing AG's recovery plan have been triggered when exercising such rights, Eurex Clearing AG shall be entitled to change the order in which the SSITG shall be realised within the order of priority under Number 3.2.1 below.

The SSITG will be published on the Eurex Clearing Website.

	Eurex05e
FCM Default Rules of Eurex Clearing AG	As of 12.02.2023
	Page 3

For the avoidance of doubt, the SSITG shall also be used by Eurex Clearing AG to cover any losses arising from the occurrence of a Non-Default Loss.

3.2 Realization of the Default Fund

[...]

3.2.1 In the case of a Realization Event, the Contributions and Further Contributions will be realised in accordance with the following order of priority:

- (1) Affected FCM Contribution, Affected CM Contribution or Affected ISA Direct Clearing Member Contribution

[...]

- (9) Contributions of FCM Clearing Members and Clearing Members that are not qualifying as non-bidding auction participants

Ninth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

- (i) the Non-Affected FCM Contributions of all FCM Clearing Members that are not FCM Non-Bidding Participants with respect to the relevant Liquidation Group (excluding any Juniorised Hedging Contributions and any Seniorised Hedging Contributions), and
- (ii) the Non-Affected CM Contributions and the Non-Affected ISA Direct Clearing Member Contributions of all Clearing Members and Clearing Agents that are not CM Non-Bidding Participants with respect to the relevant Liquidation Group (excluding any Non-Affected ISA Direct Clearing Member Contributions of the CM Affected Clearing Member, any Juniorised Hedging Contributions and any Seniorised Hedging Contributions).

“**Liquidation Group Ratio**” with respect to this Paragraph (9) means the fraction of the available Non-Affected FCM Contributions, Non-Affected CM Contributions or Non-Affected ISA Direct Clearing Member Contributions which may be realised with respect to the Relevant Liquidation Group under this Paragraph (9) and which will be determined as follows:

- (i) in the case of Non-Affected FCM Contribution, the ratio of (A) the part of the FCM Contribution Requirement of the relevant FCM Clearing Member applicable to such Relevant Liquidation Group and (B) the FCM Contribution Requirement of the relevant FCM Clearing Member,
- (ii) in the case of Non-Affected CM Contribution, the ratio of (A) the part of the CM Contribution Requirement of the relevant Clearing Member applicable to such Relevant Liquidation Group and (B) the CM Contribution Requirement of the relevant Clearing Member, or

	Eurex05e
FCM Default Rules of Eurex Clearing AG	As of 12.02.2023
	Page 4

(iii) in the case of Non-Affected ISA Direct Clearing Member Contribution, the ratio of (A) the part of the ISA Direct Clearing Member Contribution Requirement relating to the relevant ISA Direct Clearing Member applicable to such Relevant Liquidation Group and (B) the ISA Direct Clearing Member Contribution Requirement relating the relevant ISA Direct Clearing Member.

(10) SSITG

Tenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of the SSITG.

“Liquidation Group Ratio” with respect to this Paragraph (10) means the fraction of the available SSITG which may be realised with respect to the Relevant Liquidation Group under this Paragraph (10) and which will be determined as the ratio of (A) the part of the sum of all Initial Margin requirements (under the FCM Regulations or the Clearing Conditions) and all Additional Margin requirements of all FCM Clearing Members and Clearing Members determined for such Relevant Liquidation Group and (B) the sum of all Initial Margin requirements (under the FCM Regulations and the Clearing Conditions) and all Additional Margin requirements of all FCM Clearing Members and Clearing Members determined for all Liquidation Groups.

(11) Remainder of Contributions of FCM Clearing Members and Clearing Members that are not qualifying as non-bidding auction participants

Eleventh-Tenth, Eurex Clearing AG will realise the Applicable CM/FCM Remainder Amount of all Clearing Members, Clearing Agents and the FCM Clearing Members.

“Applicable CM/FCM Remainder Amount” with respect to this Paragraph (4011) means the available Non-Affected FCM Contribution, Non-Affected CM Contribution or Non-Affected ISA Direct Clearing Member Contribution of the relevant FCM Clearing Member, Clearing Member of Clearing Agent which may be realised under this Paragraph (4011) and which will be determined as the product of (A) the ratio of (AA) the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent and (BB) the aggregate of all Remainder Amounts of all FCM Clearing Members, Clearing Members, or Clearing Agents and (B) the Default Fund Secured Claims which have not been discharged. The Applicable CM/FCM Remainder Amount cannot exceed the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent.

“Remainder Amount” with respect to this Paragraph (4011) means with respect to the relevant FCM Clearing Member, Clearing Member, or Clearing Agent, the aggregate of

Eurex Clearing AG will allocate all Applicable CM/FCM Remainder Amount of all FCM Clearing Members, Clearing Members, or Clearing Agents to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (9), on a pro-rata basis.

(12) Remainder of SSITG

	Eurex05e
FCM Default Rules of Eurex Clearing AG	As of 12.02.2023
	Page 5

~~Twelfth~~, Eurex Clearing AG will realise the Remainder Amount relating to the SSITG.

“Remainder Amount” means with respect to this Paragraph (12) the aggregate of

- (i) all remainders of the SSITG under all Relevant Liquidation Groups which have been determined but have not been realised pursuant to Paragraph (10), and
- (ii) the Liquidation Group Ratio of the SSITG determined under Paragraph (10) relating to any other Liquidation Group which is not a Relevant Liquidation Group.

Eurex Clearing AG will allocate the Remainder Amount to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (11), on a pro-rata basis.

(13~~4~~) Seniorised Hedging Contribution

~~Eleventh~~~~Thirteenth~~, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

[...]

“Liquidation Group Ratio” with respect to this Paragraph (4~~1~~~~3~~) means the fraction of the available Non-Affected CM Contributions, Non-Affected ISA Direct Clearing Member Contributions or Non-Affected FCM Contributions which may be realised with respect to the Relevant Liquidation Group under this Paragraph (4~~1~~~~3~~) and which will be determined as follows:

[...]

(4~~2~~~~14~~) Remaining Seniorised Hedging Contributions

~~Twelfth~~~~Fourteenth~~, Eurex Clearing AG will realise the Applicable CM/FCM Remainder Amount of all FCM Clearing Members, Clearing Members and Clearing Agents that are Winning Hedging Auction Participants.

“Applicable CM/FCM Remainder Amount” with respect to this Paragraph (4~~2~~~~14~~) means the available Non-Affected FCM Contribution, Non-Affected CM Contribution or Non-Affected ISA Direct Clearing Member Contributions of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent which may be realised under this Paragraph (4~~2~~~~14~~) and which will be determined as the product of (A) the ratio of (AA) the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent and (BB) the aggregate of all Remainder Amounts of all FCM Clearing Members, Clearing Members and Clearing Agents and (B) the Default Fund Secured Claims which have not been discharged. The Applicable CM/FCM Remainder Amount cannot exceed the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent.

“Remainder Amount” with respect to this Paragraph (4~~2~~~~14~~) means with respect to the relevant FCM Clearing Member, Clearing Member, or Clearing Agent the

	Eurex05e
FCM Default Rules of Eurex Clearing AG	As of 12.02.2023
	Page 6

aggregate of all remainders of Non-Affected FCM Contribution, Non-Affected CM Contribution or Non-Affected ISA Direct Clearing Member Contribution of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent under all Relevant Liquidation Groups which have been determined but have not been realised pursuant to Paragraph (134).

Eurex Clearing AG will allocate all Applicable CM/FCM Remainder with respect to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (134), on a pro-rata basis.

(153) Further Contributions of non-bidding auction participants

~~Thirteenth~~^{Fifteenth}, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

- (i) the FCM Further Contributions of all FCM Clearing Members that are FCM Non-Bidding Participants with respect to at least one DM Auction in the Relevant Liquidation Group and
- (ii) the CM Further Contributions and Non-Affected ISA Direct Clearing Member Further Contributions of all Clearing Members and Clearing Agents that are CM Non-Bidding Participants with respect to at least one DM Auction in the Relevant Liquidation Group.

“**Liquidation Group Ratio**” with respect to this Paragraph (153) means the fraction of the available FCM Further Contribution, CM Further Contribution and Non-Affected ISA Direct Clearing Member Further Contribution which may be realised under this Paragraph (135) and which will be determined as follows:

- (I) in the case of FCM Further Contribution, the ratio of (A) the part of the requirement to provide FCM Further Contributions of the relevant FCM Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide FCM Further Contributions of the relevant FCM Clearing Member,
- (II) in the case of CM Further Contribution, the ratio of (A) the part of the requirement to provide CM Further Contributions of the relevant Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide CM Further Contributions of the relevant Clearing Member, or
- (III) in the case of Non-Affected ISA Direct Clearing Member Further Contribution, the ratio of (A) the part of the requirement to provide Non-Affected ISA Direct Clearing Member Further Contributions relating to the relevant ISA Direct Clearing Member applicable to such Relevant Liquidation Group and (B) the requirement to provide Non-Affected ISA Direct Clearing Member Further Contributions relating to the relevant ISA Direct Clearing Member.

	Eurex05e
FCM Default Rules of Eurex Clearing AG	As of 12.02.2023
	Page 7

(146) Further Contributions of FCM Clearing Members and Clearing Members that are not qualifying as non-bidding auction participant

~~Fourteenth~~^{Sixteenth}, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

[...]

“**Liquidation Group Ratio**” with respect to this Paragraph (164) means the fraction of the available FCM Further Contribution, CM Further Contribution, Non-Affected ISA Direct Clearing Member Further Contribution and Further Dedicated Amount which may be realised under this Paragraph (14) and which will be determined as follows:

[...]

3.2.2 Further requirements with respect to the order of priority

In addition, Eurex Clearing AG considers the following requirements when determining the order of priority in accordance with Number 3.2.1:

(a) With respect to the realisation of the Contributions and the Dedicated Amount under Paragraphs (1) ~~to (16), (2), (3), (4), (5), (6), (7), (9), (11), (13) and (14)~~, the order of priority shall be applied to all Relevant Liquidation Groups simultaneously before, in each case, the respective next paragraph is applied.

(b) If, in the case of Paragraphs (7), (9), (13~~4~~), (13~~15~~) and (164), with respect to a Relevant Liquidation Group the available

[...]

[...]
