

Eurex Clearing AG
ECAG Rule Certification 124/17
December 6, 2017

1. The text of the proposed amendments to the Default Management Auction Rules is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is February 5, 2018.
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 amendments to clarify the Default Management Auction Rules with respect to the appointment of a bidding agent to perform the bidding obligation in the Default Management Process (“DMP”). During the DMP, Eurex Clearing conducts auctions that require participation by clearing members active in the respective liquidation group. Currently, the Clearing Conditions of Eurex Clearing provide generic provisions on the outsourcing of various functions, which includes acting in an auction. Eurex Clearing is proposing to add provisions to the Default Management Auction Rules to reflect the following:

1. The bidding obligation can be performed by a bidding agent (only from an operational perspective as legal obligations remain with the clearing member), which can be any affiliated or non-affiliated entity.
2. To use a bidding agent, the clearing member must fill out the relevant form.
3. To avoid concentrations and maintain the integrity of the CCP, Eurex Clearing reserves the right to refuse or revoke an appointment at any time.
4. The appointing clearing member must provide Eurex Clearing with a contact person at the bidding agent and maintain it.
5. When applying to appoint a bidding agent, the clearing member must indicate if there is any affiliation to the bidding agent.
6. Bidding agents can be appointed on a Liquidation Group level.
7. The clearing member has the right to choose whether access to the auction tool should be granted to the bidding agent.

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 December 6, 2017 and end on January 8, 2018. 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 February 5, 2018, 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 124/17, 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 the procedure for a clearing member to appoint a third party to act in an auction in the DMP, which complies with DCO Core Principle G and accompanying CFTC Regulation 39.16(c)(2)(iii)(A).

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

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Dated: December 6, 2017