

17 Jul 2023
Eurex Clearing

Amendments to the legal framework of Eurex Clearing AG

Eurex Clearing Circular 048/23 Amendments to the legal framework of Eurex Clearing AG

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 AG (Clearing Conditions), to the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (GTC to the Connection Agreement) and to the Price List to the Connection Agreement regarding the following topics:

- A. Implementation of Compensation Claim regarding GC Pooling Transactions qualifying as Same Day Repo Transactions
- B. Clarification on the Buy-In Process for Repo Transactions
- C. Editorial changes to the GTC to the Connection Agreement and to the Price List to the Connection Agreement

The amendments will become effective as of **1 September 2023**.

2. Required action

There is no required action.

3. Details of the initiative

A. Implementation of Compensation Claim regarding GC Pooling Transactions qualifying as Same Day Repo Transactions

The Front Leg of GC Pooling Repo Transactions that qualify as Same Day Repo Transactions do not go through the netting process of Eurex Clearing. Same Day GC Pooling Repo Transactions are sent out to CmaX (Collateral Management System of CBL) immediately after trade execution and have to

be fulfilled by Clearing Members on a gross basis. Exposure Adjustment Requests that are sent out to CmaX are processed in a sequential manner, meaning that the relevant Exposure Adjustment Request will only be settled by CmaX, if any preceding Exposure Adjustment Request has been fully settled.

In case a Clearing Member partially or fully fails to fulfil its delivery obligation under the relevant GC Pooling Transaction qualifying as Same Day Repo Transaction on the relevant Contractual Settlement Date and provided that Eurex Clearing suffers a loss caused by such failure, Eurex Clearing shall be entitled to claim for compensation from the relevant Clearing Member.

In this context, the following provisions of the Clearing Conditions will be amended, as outlined in Attachment 1:

- ◆ Chapter IV Part 2 Number 2.6.4

B. Clarification on the Buy-In Process for Repo Transactions

With the foreseen changes of the Clearing Conditions, the buy-in process applicable for failed Repo Transactions should be adapted to the buy-in process applicable for failed FWB Transactions.

If a Buy-In cannot be performed successfully or is performed only partially, Eurex Clearing is entitled to perform a Cash Settlement on the "Determination Date", which is a Business Day between the 30th and 36th Business Day after the Contractual Settlement Day of the Term Leg of the Cash Provider.

Furthermore, the determination of the cash settlement amount is specified and shall be the higher of (i) the settlement price of the respective class of securities on the Business Day preceding the Determination Date as determined by Eurex Clearing, (ii) the agreed price per security under the failed Repo Transaction and (iii) the agreed price per security under the relevant Allocated Repo Transaction.

In this context, the following provisions of the Clearing Conditions will be amended, as outlined in Attachment 2:

- ◆ Chapter IV Part 2 Number 2.7.1
- ◆ Chapter IV Part 2 Number 2.7.2

C. Editorial changes to the GTC to the Connection Agreement and to the Price List to the Connection Agreement

In order to reflect the discontinuation of offering for Eurex Clearing GUI @X-tract and name changes with respect to two other Eurex Clearing GUIs, the following provisions will be amended, as outlined in Attachments 3 and 4:

- ◆ §§ 4, 5 and 16 of the of the GTC to the Connection Agreement, as outlined in Attachment 3

- ◆ § 2 of the Price List to the Connection Agreement, as outlined in Attachment 4

Publication of amendments of the legal framework of Eurex Clearing

As of the effective date, the full versions of the amended legal framework of Eurex Clearing will be available for download on the Eurex Clearing website www.eurex.com/ec-en/ under the following link:

Rules & Regs > Eurex Clearing Rules & 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 to 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:

Updated sections of the following rules and regulations:

- ◆ 1 – Amended sections of Chapter IV Part 2 Number 2.6.4 of the Clearing Conditions of Eurex Clearing AG
- ◆ 2 – Amended sections of Chapter IV Part 2 Numbers 2.7.1 and 2.7.2 of the Clearing Conditions of Eurex Clearing AG
- ◆ 3 – Amended sections of Chapters 4, 5 and 16 of the GTC to the Connection Agreement
- ◆ 4 – Amended sections of § 2 of the Price List to the Connection Agreement

Further information

Recipients: All Clearing Members, FCM Clearing Members, ISA Direct Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, 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: Jens Janka

Further information

[↓ Attachment 1 to Eurex Clearing Circular 048/23](#)

[↓ Attachment 2 to Eurex Clearing Circular 048/23](#)

[↓ Attachment 3 to Eurex Clearing Circular 048/23](#)

[↓ Attachment 4 to Eurex Clearing Circular 048/23](#)

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Chapter IV of the Clearing Conditions of Eurex Clearing AG

Clearing of Repo Transactions

As of 01.09.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSED OUT

[...]

Part 2 Clearing of Repo Transactions

[...]

2.6 Settlement Date Exposure Netting with respect to GC Pooling Repo Transactions

[...]

[...]

2.6.4 Additional Provisions with respect to GC Pooling Repo Transactions qualifying as Same Day Repo Transactions

In addition to the provisions under Number 2.6.1 (2), the following additional provisions shall apply to GC Pooling Repo Transactions qualifying as Same Day Repo Transactions:

- (1) Instead of the application of Settlement Date Exposure Netting, Eurex Clearing AG submits an immediate Exposure Adjustment Requests to CmaX with respect to each GC Pooling Repo Transaction qualifying as Same Day Repo Transaction. CmaX processes the Exposure Adjustment Requests in a sequential manner with the consequence that any sub-subsequent Exposure Adjustment Request will only be processed after the pre-ceeding Exposure Adjustment Request is fully processed by CmaX. For the avoidance of doubt, any sub-subsequent Exposure Adjustment Requests will be put "on-hold" by CmaX until the pre-ceeding Exposure Adjustment Request is fully processed.
- (2) If the processing of Exposure Adjustment Request submitted to CmaX with respect to GC Pooling Repo Transactions qualifying as Same Day Repo Transactions is delayed due to any action or omission by the relevant Clearing Member or ISA Direct Clearing Member (or Clearing Agent acting on behalf of the ISA Direct Clearing Member) and provided that Eurex Clearing AG suffers any loss due to such delay (in particular any financing or interest costs), the relevant Clearing Member or ISA Direct

Clearing Member shall be obliged to compensate Eurex Clearing AG for any such losses.

[...]

Chapter IV of the Clearing Conditions of Eurex Clearing AG

Clearing of Repo Transactions

As of 01.09.2023

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[...]

Part 2 Clearing of Repo Transactions

[...]

2.7 Failure to Deliver or to Pay

2.7.1 Failure to deliver or pay on the Contractual Settlement Date of the Front Leg

(1) Repo Transactions (other than GC Pooling Repo Transaction)

(a) If, under a Repo Transaction (other than a GC Pooling Repo Transaction), on the Contractual Settlement Date of the Front Leg

- (i) the Cash Taker fails to deliver the owed Securities, or
- (ii) the Cash Provider fails to transfer the owed purchase price,

until the applicable settlement cut-off time (“Settlement Cut-Off Time”), Eurex Clearing AG shall be entitled to determine an earlier repurchase date with respect to the Term Leg of the relevant Repo Transaction on either the present Business Day or at the latest (including) on the Contractual Settlement Date of the Term Leg (“Accelerated Repurchase Date”).

[...]

(2) GC Pooling Repo Transactions

(a) If, under a GC Pooling Repo Transaction,

- (i) the Cash Taker fails to deliver Securities selected and instructed by CmaX or the other TCPM on the Contractual Settlement Date of the Front Leg, or
- (ii) the Cash Provider fails to transfer the agreed cash amount on the Contractual Settlement Date of the Front Leg,

until the applicable Settlement Cut-Off Time, the provisions under Paragraph (1) (a), (b) and (c) shall apply *mutatis mutandis*, unless provided otherwise herein.

[...]

2.7.2 Failure to deliver or to pay on the Contractual Settlement Date of the Term Leg

(1) Repo Transactions (other than GC Pooling Repo Transactions)

- (a) ~~If, under a Repo Transaction (other than a GC Pooling Repo Transaction), on the Contractual Settlement Date of the Term Leg, the Cash Provider fails to deliver the Securities on the 5th Business Day after the Contractual Settlement Date of the Term Leg prior to expiry of the Settlement Cut-Off Time, Eurex Clearing AG shall be entitled to initiate a buy-in within the meaning of Chapter I Part 1 Number 1.4.4 (1).~~

In case such buy-in attempt fails, Eurex Clearing is entitled to initiated a further buy-in on the 10th and 27th Business Day following the Contractual Settlement Date of the Term Leg.

~~Eurex Clearing AG shall be entitled~~

- ~~(i) to conduct an buy-in with respect to the relevant Securities on the 5th Business Day after the Contractual Settlement Date of the Term Leg and to deliver the purchased Securities to the relevant Cash Taker; or~~

- ~~(ii) if a buy-in is (partially or fully) unsuccessful, to perform a cash settlement.~~

Eurex Clearing AG shall be obliged to conduct a buy-in or a cash settlement pursuant to this Paragraph (a), if the Cash Taker (or the Clearing Agent acting in the name of the Cash Taker in its capacity as ISA Direct Clearing Member) requests in writing that Eurex Clearing AG shall conduct a buy-in or a cash settlement.

- (b) If the required Securities cannot be acquired wholly or can be acquired only partially by way of a buy-in according to Paragraph (a), Eurex Clearing AG is entitled to perform a cash settlement of the relevant Repo Transaction on the Determination Date by determining a cash settlement amount with respect to the the non-delivered Securities.

The “**Determination Date**” shall be a Business Day between the 30th and the 36th Business Day after the Contractual Settlement Date of the Term Leg of the late Cash Provider. For the cash settlement, Eurex Clearing AG will determine a Term Leg of a Cash Taker to whom delivery has not been effected in due time and allocate it to the Repo Transaction of the late Cash Provider (“**Allocated Repo Transaction**”).

- (c) Eurex Clearing AG shall be obliged to conduct a buy-in or a cash settlement pursuant to this Paragraph (a) and (b), if the Cash Taker (or the Clearing Agent acting in the name of the Cash Taker in its capacity as ISA Direct Clearing Member) requests in writing that Eurex Clearing AG shall conduct a buy-in or a cash settlement.

The Cash Taker shall be entitled to submit a buy-in request at any time after the expiry of the Settlement Cut-Off Time on the 5th Business Day following the Contractual Settlement Date of the Term Leg.

If the required Securities cannot be acquired wholly or can be acquired only partially by way of a buy-in according to Paragraph (a), Eurex Clearing AG shall perform a cash settlement according to Paragraph (b). When determining the Determination Date, Eurex Clearing AG shall allocate the Term Leg of the relevant Cash Taker, which submitted the request pursuant to this Paragraph (c).

- (d**b**) The buy-in and the cash settlement shall be conducted pursuant to the provisions under Chapter V Part 2 Number 2.2 applicable to Other Securities, ~~(without application of the provisions on contractual penalties pursuant to Chapter V Part 2 Number 2.2 (6)).~~

Notwithstanding Chapter V Part 2 Number 2.2.1 Paragraph (3) (b) (aa), the cash settlement amount shall be the higher of

- (i) the settlement price of the respective class of securities on the Business Day preceding the Determination Date as determined by Eurex Clearing AG,
- (ii) the agreed price per security under the failed Repo Transaction~~selling price~~, and
- (iii) the agreed price per security under the relevant Allocated Repo Transaction~~purchase price of the relevant Eurex Repo Transaction~~,

and in each case, plus a premium of 300 basis points, accrued interest and the applicable repo rate.

The provisions on contractual penalties pursuant to Chapter V Part 2 Number 2.2.1 (6) shall not be applicable. The contractual penalty for a failure to deliver Securities pursuant to Chapter I Part I Number 14.2.2 shall not apply. In respect of a failure to deliver CSDR Penalty In-Scope Securities the provisions on penalties set out in Chapter I Part 1 Number 1.4.4 (2) apply.

- (e**e**) If, under a Repo Transaction other than a GC Pooling Repo Transaction, on the Contractual Settlement Date of the Term Leg, the Cash Taker fails to transfer the owed re-purchase price prior to expiry of the Settlement Cut-Off Time, the contractual penalty pursuant to Chapter I Part 1 Number 14.2.2 shall apply.

[...]

General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (GTC to the Connection Agreement)

As of 01.09.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

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A General Provisions

[...]

§ 4 Service catalogue: network channels for the connection to the Clearing EDP

[...]

(1) **Eurex GUI Channel:**

Dedicated channel on a leased line with a configured bandwidth in accordance with the price list to the Connection Agreement (the "**CA Price List**"). The channel is capable of transferring data using the following interfaces:

- (i) ~~Eurex Clearing GUI @X-tract (via WebTrading)~~
- (ii) ~~C7 Derivatives Clearing GUI (incl. Collateral Management)~~
- (iii) Securities Clearing GUI
- (~~iv~~iii) EurexOTC Clear GUI
- (iv) Prisma Margin Calculator GUI

[...]

§ 5 Service catalogue: Interfaces

The following interfaces are being offered by Eurex Clearing, which can be used among others via the network channels listed in § 4.

(1) ~~**Eurex Clearing GUI @X-tract:**~~

~~Graphical user interface to access enter and modify clearing data in the Clearing EDP.~~

- (i) ~~Functions: Among other things, it enables the product assignments and the STOP button functionality.~~

~~(ii) Access by means of WebTrading (display server technology) takes place only via a GUI Channel, via an internet-based service or via a GUI Channel of a Multi Member Service Operator.~~

~~(iii) To use the GUI by means of WebTrading a Eurex Clearing GUI @X-tract certificate or token, in accordance with the CA Price List, is required.~~

(21) ~~C7 Derivatives Clearing GUI (incl. Collateral Management):~~

Graphical user interface to access, enter and modify clearing data in the Clearing EDP.

[...]

(32) ~~Securities Clearing GUI:~~

Graphical user interface to access, enter and modify clearing data in the Clearing EDP.

[...]

(43) ~~EurexOTC Clear GUI:~~

Graphical user interface to access, enter and modify OTC clearing data in the Clearing EDP.

[...]

(54) ~~Prisma Margin Calculator GUI (Prisma & EurexOTC):~~

[...]

(65) ~~FIXML Interface (API):~~

[...]

(76) ~~FpML Interface (API):~~

[...]

(87) ~~Margin Calculator API:~~

[...]

(98) ~~Common Report Engine (CRE):~~

[...]

(109) ~~Common Upload Engine (CUE)~~

[...]

[...]

§ 16 **[Intentionally left blank] Means of Authentication for the Eurex Clearing GUI via WebTrading**

- ~~(1) With regard to access by means of the Eurex Clearing GUI without using a MISS for the GUI access, the Contractual Party shall receive from Eurex Clearing a token as well as a personal identification number (PIN) or an encrypted SSL certificate and the corresponding key for authentication, as specified by Eurex Clearing in the WebTrading documentation.~~
- ~~(2) Tokens are attributed to a user ID of the Contractual Party. The Contractual Party must keep the token and the PIN in safe custody and separate from one another in order that taking of notice or removal by an unauthorised person cannot occur. The Contractual Party may grant access to the token and the PIN to only one registered Eurex Clearing user at any one time. The Contractual Party may not duplicate such PIN and guarantees that its registered users will not duplicate such PIN either. It is not permitted to pass on to a third party any passwords which were generated using the token and the PIN.~~
- ~~(3) A SSL certificate is attributed to a user ID of the Contractual Party. The Contractual Party shall be obliged to protect the SSL certificate and the corresponding key against unauthorized access and duplication. The Contractual Party may grant access to the SSL certificate to only one registered Eurex Clearing user at any one time.~~
- ~~(4) The Contractual Party shall be obliged to inform Eurex Clearing immediately in writing if a token is damaged or lost or cannot be found. The same applies if facts exist to support the suspicion that a third party has, without authorisation, taken notice of the PIN or possession of the token or have taken notice of a SSL certificate or the corresponding key. Eurex Clearing shall then immediately block the Contractual Party's access to the token and the PIN or the SSL certificate and the corresponding key respectively, and shall, for a fee according to the CA Price List, provide the Contractual Party with another token and PIN or a new SSL certificate and key respectively. The Contractual Party shall be obliged to immediately send to Eurex Clearing the damaged token or the token the PIN of which has been compromised.~~
- ~~(5) Tokens remain the property of Eurex Clearing at all times. They must be sent back to Eurex Clearing immediately after expiration of the Agreement. If the token is not received by Eurex Clearing within 15 business days after expiration of the Agreement, the Contractual Party must pay compensation for lost value according to the CA Price List.~~

[...]

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Price List to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (Connection Agreement) (the “CA Price List”)

[...]

§ 1 Monthly fees for the technical connection (connection fees)

[...]

Connection component	Bandwidth	Leased Line in Tier A1 ¹⁽⁴⁾	Leased Line in Tier B1 ¹⁽⁴⁾	Internet VPN (iAccess)
[...]				

Legend

Tier A1 = Metro areas of Amsterdam, Frankfurt, London, Milan, Paris, and Zurich

Tier B1 = Germany, France, UK, The Netherlands and Switzerland

§ 2 Monthly fees for the usage of the Clearing System

Clearing System usage	Monthly fee
Eurex Clearing GUI @X-tract ⁽²⁾	free of charge
Eurex Clearing GUI Account for Clearing Members for: <ul style="list-style-type: none"> ▪ C7 Derivatives Clearing GUI (incl. Collateral Management) ▪ Securities Clearing GUI ▪ EurexOTC Clear GUI ▪ Prisma Margin Calculator GUI 	300 € ²⁽³⁾

¹ Prices for other locations on request.

(1) Prices for other locations on request.

(2) Replacement for lost tokens and unreturned tokens is charged with 50 € per token.

(3) Internet-based service is free of charge if the member has a connection component according to § 1 in place.

² Internet-based service is free of charge if the member has a connection component according to § 1 in place.

Clearing System usage	Monthly fee
Eurex Clearing GUI Account for DC Market Participants, Indirect Client Market Participants and DCs With System Access for: <ul style="list-style-type: none">▪ C7 Derivatives Clearing GUI (incl. Collateral Management)▪ Securities Clearing GUI▪ EurexOTC Clear GUI▪ Prisma Margin Calculator GUI	100 € ⁽³⁾
[...]	

All aforementioned fees will be calculated plus the current statutory VAT.

[...]
