

Chapter I: Clearing Model Related Provisions

FCM Regulations of Eurex Clearing AG

As of 02.05.2019

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THE FCM REGULATIONS WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Chapter I Clearing Model Related Provisions

1 General Provisions

1.1 Scope of Application

[...]

1.1.9 [...]

- (2) An FCM Client must be a direct client of an FCM Clearing Member, (except when the FCM Clearing Member is acting as a Pre-Allocation FCM Clearing Member, with respect to the portion of the relevant Unallocated FCM Client Transaction that is to be transferred to a Post-Allocation Clearing Member in accordance with Number 1.3.3 Paragraph (4)). For the avoidance of doubt, the FCM Clearing Member is not allowed to clear Swap Transactions through Eurex Clearing AG for indirect clients.

[...]

1.2 Definitions and Interpretation

- 1.2.1 Unless the context requires otherwise, the following terms and expressions in the FCM Regulations shall have the following meanings:

[...]

“**Excess Margin**” means, in relation to an FCM Client Margin Sub-Account ~~of a specific FCM Client~~ the amount (if any) by which the FCM Client Margin Sub-Account Balance of the relevant FCM Client Margin Sub-Account exceeds the Margin Requirement determined by Eurex Clearing AG with respect to the relevant FCM Client Margin Sub-Account of such FCM Client.

[...]

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“FCM Client Margin Sub-Account Balance” means, at any particular time, the legally segregated value of the Eligible Margin Assets allocated to an FCM Client Margin Sub-Account (and to the FCM Client Assumed Allocation Sub-Account treated as part of the FCM Client Margin Sub-Account, under the LSOC With Excess Model) as determined by Eurex Clearing AG in accordance with the FCM Regulations. The FCM Client Margin Sub-Account Balance does not reflect the value of any FCM Client Buffer or FCM Client Unallocated Excess.

“FCM Client Margin Suspension Sub-Account” has the meaning assigned to it in Number 4.3.1. An FCM Client Margin Suspension Sub-Account is treated as a type of FCM Client Margin Sub-Account, and references in the FCM Clearing Conditions to an FCM Client Margin Sub-Account include, as applicable under the circumstances, an FCM Client Margin Suspension Sub-Account.

[...]

“FCM Client Transaction Account” has the meaning assigned to it Number 4.2.1.

“FCM Client Transaction Suspension Account” has the meaning assigned to it in Number 4.2.1. An FCM Client Transaction Suspension Account is treated as a type of FCM Client Transaction Account, and references in the FCM Clearing Conditions to an FCM Client Transaction Account include, as applicable under the circumstances, an FCM Client Transaction Suspension Account.

[...]

“Own Transaction” has the meaning assigned to it in Number 1.3.2.

“Post-Allocation Clearing Member” means a Post-Allocation FCM Clearing Member or a Post-Allocation Non-FCM Clearing Member.

“Post-Allocation FCM Clearing Member” has the meaning assigned to it in Number 1.3.3.

“Post-Allocation Non-FCM Clearing Member” has the meaning assigned to it in Number 1.3.3.

“Pre-Allocation Executing Party” has the meaning assigned to it in Number 1.3.3.

“Pre-Allocation FCM Clearing Member” has the meaning assigned to it in Number 1.3.3.

[...]

“Trust Account” has the meaning assigned to it in Number 3.2.2.

“Unallocated FCM Client Transaction” has the meaning assigned to it in Number 4.3.1.

“U.S.” and **“United States”** means the United States of America, any state thereof and its territories and possessions.

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[...]

[...]

1.3 FCM Clearing Procedures

[...]

1.3.3 Conclusion and Transfer of Swap Transactions

[...]

(3) Transfer of Swap Transactions

~~Subject to the terms and conditions set out in the Special Conditions, Eurex Clearing AG will, at the request of an FCM Client made through its FCM Clearing Member, transfer all or a portion of the FCM Client Transactions booked to its FCM Client Transaction Account to an appropriate transaction account at another Clearing Member.~~

Subject to the terms and conditions set out in the Special Clearing Provisions, an FCM Clearing Member may with the consent of Eurex Clearing AG transfer a Swap Transaction (including Own Transactions established between such FCM Clearing Member and Eurex Clearing AG and FCM Client Transactions established through such FCM Clearing Member with Eurex Clearing AG)

(i) from or to any of its transaction accounts of such FCM Clearing Member, or

(ii) upon a prior agreement with another Clearing Member holding the applicable Clearing License for such Swap Transaction, to a transaction account at another Clearing Member.

(4) Post-Trade Allocation and Transfer of FCM Client Transactions

Subject to the terms and conditions set out in the Special Conditions, a Pre-Allocation Executing Party may submit an FCM Client Transaction to be booked in an FCM Client Transaction Suspension Account (an “**Unallocated FCM Client Transaction**”) to an FCM Clearing Member (the “**Pre-Allocation FCM Clearing Member**”), for subsequent allocation and transfer to one or more (i) FCM Client Transaction Accounts of the FCM Clearing Member, (ii) FCM Client Transaction Accounts of another FCM Clearing Member (a “**Post-Allocation FCM Clearing Member**”) or (iii) relevant transaction accounts of a Non-FCM Clearing Member (a “**Post-Allocation Non-FCM Clearing Member**”). The Pre-Allocation FCM Clearing Member must be acting on behalf of a person that is authorized to execute Original Swap Transactions to be cleared initially as Unallocated FCM Client Transactions, where such person is acting [on its own behalf or] on behalf of one or more other persons (the “**Pre-Allocation Executing Party**”).

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(45) Swap Transactions Binding

[...]

[...]

4 Internal Accounts

[...]

4.2 Internal Transaction Accounts

4.2.1 Eurex Clearing AG opens and maintains with respect to each FCM Clearing Member the following transaction accounts in which the Swap Transactions of the FCM Clearing Member to be cleared will be booked:

[...]

(3) when an FCM Clearing Member is acting as a Pre-Allocation FCM Clearing Member for one or more Pre-Allocation Executing Parties, a separate account for each Pre-Allocation Executing Party (each, an “FCM Client Transaction Suspension Account”) in which Swap Transactions that are cleared initially as Unallocated FCM Client Transactions in accordance with Number 1.3.3 Paragraph (4) and the Special Provisions will be booked.

[...]

6 Clearing of FCM Client Transactions

[...]

6.4 LSOC Without Excess Model

[...]

6.4.3 Margin Calls; Application of FCM Client Buffer

(1) Eurex Clearing AG calculates a separate FCM Client Margin Requirement for each FCM Client Transaction Account- (including any FCM Client Transaction Suspension Account). [...]

[...]

6.5 LSOC With Excess Model

[...]

6.5.1 Collateral Value Reports

(1) The FCM Clearing Member must provide to Eurex Clearing AG, at least once each Business Day, a collateral value report (a “Collateral Value Report” or “CVR”) for each FCM Client Margin Account that is established and maintained in accordance

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with the LSOC With Excess Model, that instructs Eurex Clearing AG as to the appropriate allocation of the FCM Client Margin Account Collateral Balance attributable to each FCM Client Margin Sub-Account (including any FCM Client Margin Suspension Sub-Account) and the FCM Client Buffer Sub-Account within such FCM Client Margin Account.

[...]

6.5.4 **Margin Calls; Application of FCM Client Buffer**

- (1) Eurex Clearing AG calculates a separate FCM Client Margin Requirement for each FCM Client Transaction Account- (including any FCM Client Transaction Suspension Account). Eurex Clearing AG will notify an FCM Clearing Member of the FCM Client Margin Requirement for each FCM Client Transaction Account. [...]

[...]

9 Termination Rules with respect to the FCM Clearing Member

[...]

9.1 Application and Netting Sets

[...]

- (2) all FCM Client Transactions in the relevant FCM Client Transaction Account, (including, as applicable, any FCM Client Transaction Suspension Account), each of which constitutes a separate netting set (each aan "FCM Client Netting Set").

[...]

11 Termination Rules with respect to Eurex Clearing AG

11.1 Claim for Non-Performance and Single Difference Claim

- 11.1.1 If at any time a Failure to Pay Event or an Insolvency Event has occurred with respect to Eurex Clearing AG, all primary obligations (including payment and delivery obligations but excluding Termination Unpaid Amounts) arising from all Swap Transactions in all FCM Clearing Member Own Transaction Accounts and all FCM Client Transaction Accounts (including FCM Client Transaction Suspension Accounts) shall expire and may no longer be performed by the relevant obligor. [...]

[...]
