

Chapter I of the Clearing Conditions of Eurex Clearing AG

## General Provisions

As of 04.05.2020

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

## **Part 1 General Clearing Provisions**

[...]

### **1.6 Additionally Monitored Risks and Risk Mitigating Measures**

[...]

#### **1.6.2 Assessment and Mitigation of Credit Risk**

[...]

- (2) Credit Risk Thresholds can be defined as maximum Mmargin Rrequirement or as maximum notional exposure arising from the Clearing Member's Transactions or the Basic Clearing Member's Basic Clearing Member Transactions, in each case under the relevant Standard Agreement.
- (3) In case the Clearing Member or the Basic Clearing Member breaches any Credit Risk Threshold, applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigation measures:
- (a) Eurex Clearing AG will notify the Clearing Member or the Basic Clearing Member (as well as its Clearing Agent) about the breach of the relevant Credit Risk Threshold and will request the reduction of the relevant Mmargin Rrequirement or notional exposure, as the case may be, within a reasonable period of time and in an amount which is necessary to remedy the relevant breach.

[...]

[...]

## **2 Clearing Members**

### **2.1 Clearing License**

[...]

## 2.1.2 General Prerequisites for Clearing Licenses

[...]

### (2) Personal prerequisites

(a) Subject to Number 2.1.3 below, a Clearing License may only be granted to:

[...]

(dd) an EU branch of an institution: a branch of a credit institution or investment firm domiciled in a member state of the EU (“**host member state**”) provided that (i) the main office of such credit institution or investment firm is domiciled in another member state of the EU (“**home member state**”), (ii) a notification procedure has been completed in the host member state, and that (iii) the branch and the institution comply with the conditions set forth in Paragraph (2) (a) (aa) above and Paragraph (2) (b) below;

[...]

(gg) certain other regulated entities: with respect to a Direct Clearing License for the Clearing of Own Transactions only, an applicant that (i) is domiciled in the EU and is an insurance undertaking, reinsurance undertaking, collective investment undertaking (in the case of an Unincorporated Fund, Sub-Fund or Fund Segment, acting through an Authorised Manager) as defined in Article 4 Paragraph (1) of the CRR or an institution for occupational retirement provision as defined in Article 6(a) of Directive 2003/41/EC or (ii) is domiciled in a country outside of the EU or Switzerland and whose functions correspond to those described in lit. (i) ; in each case domiciled in a member state of the EU or in Switzerland, or in a country outside of the EU and Switzerland and which is supervised in its country of domicile according to standards equivalent to the applicable regulatory standards of the EU as determined by Eurex Clearing AG; or

[...]

[...]

## 2.1.3 Prerequisites for Governmental Entities and Supranational Organisations

[...]

(2) Applicants within the meaning of Paragraph (1) are required to fulfil the general prerequisites set out in Number 2.1.2 Paragraphs (3) to (6) and the special prerequisites for the relevant Transaction Type, unless they have been exempted in whole or in part from the fulfilment of these prerequisites by Eurex Clearing AG.

Applicants within the meaning of Paragraph (1) (a) to (d) may in particular be exempted from the requirement to:

[...]

(d) meet ~~M~~margin ~~R~~requirements pursuant to Number 3 for specific Transaction Types; and/or to

[...]

[...]

### **3 General Provisions regarding Margin and Variation Margin**

The ~~parties to a Standard Agreement~~Clearing Member or the Basic Clearing Member, as applicable, is ~~are~~ required to provide ~~cover in respect of~~ Proprietary Margin, Omnibus Margin, Margin for purposes of the ISA Provisions or Basic Clearing Member Margin, as applicable, ~~relating to that Standard Agreement~~ as further set out in this Number 3 and the specific provisions of the Elementary Clearing Model Provisions, the ISA Provisions and the Basic Clearing Member Provisions, as applicable.

Furthermore, each of Eurex Clearing AG and the Clearing Member or the Basic Clearing Member, as applicable, shall, in order to compensate daily profits or losses, be required to transfer (additional) cover in respect of Variation Margin for purposes of the Elementary Clearing Model Provisions or the ISA Provisions or Basic Clearing Member Variation Margin, as applicable, subject to and in accordance with the specific provisions of the Elementary Clearing Model Provisions, the ISA Provisions or the Basic Clearing Member Provisions, as applicable, and the Special Clearing Conditions.

#### **3.1 Margin Requirement and Types of Margin and calculation of the Margin Requirement**

~~3.1.1 The applicable margin requirement, which shall be determined by Eurex Clearing AG, shall consist of the sum of all relevant margin requirements separately calculated by Eurex Clearing AG in accordance with the relevant applicable Margin Methodology subject to and in accordance with the Elementary Clearing Model Provisions, the ISA Provisions or the Basic Clearing Member Provisions, as applicable.~~

~~3.1.2 For the calculation of the relevant margin requirement, Eurex Clearing AG applies either the Risk Based Margining methodology or the Eurex Clearing Prisma methodology (each a "Margin Methodology") as specified by Eurex Clearing AG with respect to each Liquidation Group.~~

~~3.1.3 With regard to the Margin Methodologies, Eurex Clearing AG will publish the relevant applicable calculation method for all relevant types of margin in accordance with Number 16.1 on its homepage [www.eurexclearing.com](http://www.eurexclearing.com); each published Margin Methodology shall form part of these Clearing Conditions.~~

#### **3.1.14 Types of Margin**

As specified for each Transaction Type in the Special Clearing Provisions, Each the applicable margin requirement, ~~calculated~~determined by Eurex Clearing AG shall equal

~~the sum of (A) one or more of the types of margin set forth in Paragraphs (1) – (5) below, in respect of a Transaction or a group of Transactions after a netting thereof, if applicable, the sum of the Current Liquidating Margin requirement and the Premium Margin requirement and the Additional Margin requirement and the Initial Margin requirement and any other margin type requirement, as specified in the Special Clearing Provisions, (each such type of margin, at the “Margin Type”) and (B), in the case of an intra-day Margin Call (as defined in Number 3.3.1), amounts as determined by Eurex Clearing AG to cover the risk of potential non-payments of the following: Variation Margin, STM Variation Margin (as defined in Chapter II Part 1), IRS STM Amounts (as defined in Chapter VIII Part 2), IRS PAA (as defined in Chapter VIII Part 2), Currency STM Amounts (as defined in Chapter VIII Part 3) or Currency PAA (as defined in Chapter VIII Part 3) that the Clearing Member or the Basic Clearing Member, as relevant, may owe in respect of each Standard Agreement during the end-of-day settlement cycle. The Current Liquidating Margin requirement and the Additional Margin requirement apply to all securities transactions (*Wertpapiergeschäfte*) pursuant to Chapters II – through V.~~

~~(1) 3.1.5~~—The “**Current Liquidating Margin**” requirement equals the value of loss Eurex Clearing AG would suffer as of the time of the determination of the margin requirement from a closing of a Transaction by entering into an inverse transaction (*Glattstellung*) being subject to such margin requirement taking into account cash and securities positions under those Transactions separately. Each cash position shall be determined by discounting it with the current market interest rate (calculation of cash value on the valuation date). Each securities position shall be valued after the end of trading of the respective Market on the basis of the Daily Settlement Price (as defined, in each case, in Chapters II – V) taking into account any accrued interest, if applicable.

~~(2) 3.1.6~~—The “**Premium Margin**” requirement equals the aggregate value of the potential loss Eurex Clearing AG would suffer as of the time of the determination of the margin requirement from a closing of an option by entering into an inverse transaction (*Glattstellung*) with immediate premium payment obligations where Eurex Clearing AG is the buyer of the option.

~~(3) 3.1.7~~—The “**Additional Margin**” requirement equals the amount of any potential losses from a closing of the Transaction(s) by entering into (an) inverse transaction(s) (*Glattstellung*) taking into account assumed price changes due to extreme price movements in the market (worst case scenario) and shall be in addition to the amount calculated by the Current Liquidating Margin, the Premium Margin, or any other Margin Type.

~~(4) 3.1.8~~—The “**Initial Margin**” requirement equals the amount of any potential losses Eurex Clearing AG would suffer as of the time of the determination of the margin requirement from a closing of the Transaction(s) in a particular Liquidation Group by entering into (an) inverse transaction(s) (*Glattstellung*) within the respectively applicable holding period for the respective Liquidation Group, as published by Eurex Clearing AG on its website ([www.eurexclearing.com](http://www.eurexclearing.com)), taking into account assumed price changes due to extreme price movements in the market, and shall be

in addition to the amount calculated by the Premium Margin or any other Margin Type.

(5) In respect of OTC FX Transactions only, a requirement to provide Settlement Compensation Margin (as defined in Chapter VIII Number 3.1.7 (5)) applies.

### **3.1.2 Calculation of the Margin Requirement**

#### (1) Standard settings

Subject to Paragraph (2) as well as subject to and in accordance with the Elementary Clearing Model Provisions, the ISA Provisions or the Basic Clearing Member Provisions, as applicable, Eurex Clearing AG will calculate each margin requirement in respect of Margin as follows:

- (a) on a net basis across all Clearing Member Own Accounts of each Clearing Member or on a net basis separately with respect to the Basic Clearing Member Own Account, as applicable; and
- (b) on a net basis separately with respect to each Client Transaction Account of such Clearing Member, except that the relevant margin requirement with respect to own transactions (as identified to Eurex Clearing AG) of a Disclosed Direct Client shall be calculated
  - (i) with respect to Eurex Transactions, on a net basis across all DC Own Accounts of such Disclosed Direct Client that are established pursuant to Chapter II Part 1 Number 1.3.1 (2) (c) of the Clearing Conditions; or
  - (ii) with respect to FWB Transactions, on a net basis across all DC Own Accounts of such Disclosed Direct Client; and
- (c) with respect to Eurex Transactions, on a net basis across all Transactions of the Clearing Member that reflect own transactions (as identified to Eurex Clearing AG) of a particular Indirect Client Market Participant of the Clearing Member that are booked to an account established pursuant to Chapter II Part 1 Number 1.3.1 (2) (d) of the Clearing Conditions.

#### (2) Optional settings in accordance with the instructions of the Clearing Member

- (a) In respect of OTC Interest Rate Derivatives Transactions, OTC FX Transactions and OTC XCCY Transactions pursuant to Chapter VIII, Eurex Clearing AG shall, if so instructed by the Clearing Member (which instruction shall be provided in the form requested by Eurex Clearing AG, and such instruction, a “Net Margin Instruction”), calculate each margin requirement on a net basis across several Client Transaction Accounts selected by the Clearing Member for such purpose subject to the restrictions set out in lit. (b) and any technical restrictions in the systems of Eurex Clearing AG (as disclosed by Eurex Clearing AG).

- (b) Eurex Clearing AG will not calculate any relevant margin requirement on a net basis
- (i) across a group of Transaction Accounts that includes both (A) Direct Client Accounts (as defined in the Elementary Clearing Provisions) or DC Own Accounts for the purposes of the ISA Provisions, as applicable, and (B) Indirect Client Accounts;
  - (ii) across a group of Transaction Accounts that includes GOSA Indirect Client Accounts relating to customer-related transactions with respect to more than one particular Indirect Client;
  - (iii) across Client Transaction Accounts that are not allocated to the same Client Transaction Accounts Group (as defined in the Elementary Clearing Provisions) or ISA Transaction Accounts Group (as defined in the ISA Provisions), as applicable; and
  - (iv) across Client Transaction Accounts that are not allocated to the same Internal Omnibus Margin Account (as defined in the Elementary Clearing Provisions) or the same Internal ISA Margin Account (as defined in the ISA Provisions), as applicable.
- (c) A Net Margin Instruction will become effective (provided that it complies with the restrictions set out in lit. (b)) at the point in time it is reflected in the systems of Eurex Clearing AG, but no earlier than on the day determined by the Clearing Member in the Net Margin Instruction. Eurex Clearing AG will inform the Clearing Member of the effective date of a Net Margin Instruction given by such Clearing Member.
- (d) A Net Margin Instruction that has become effective in accordance with lit. (c) may be revoked or amended by the Clearing Member by submitting a revised Net Margin Instruction in respect of the relevant Client Transaction Accounts; lit. (c) applies *mutatis mutandis* to any such revised Net Margin Instruction. Eurex Clearing AG may reject a revocation or amendment of a Net Margin Instruction, in particular, if such revocation or amendment would increase the applicable margin requirement and the aggregate value of Eligible Margin Assets actually delivered as Margin is less than such applicable margin requirement.
- A Net Margin Instruction of a Clearing Member shall cease to have effect with respect to Transactions that are (following the occurrence of a Termination Event or Insolvency Termination Event with respect to such Clearing Member) subject to a porting of positions and assets to a Replacement Clearing Member pursuant to the Elementary Clearing Model Provisions or the ISA Provisions, as applicable. In respect of any relevant Client Transaction Account to which, following a porting, such Transactions are booked, the Replacement Clearing Member may give a Net Margin Instruction in accordance with this Paragraph (2).

(e) If, following an effective Net Margin Instruction, Eurex Clearing AG determines a margin requirement on a net basis across two or more Client Transaction Accounts pursuant to lit. (a), such determination shall not reflect any netting effects between OTC Interest Rate Derivatives Transactions, OTC FX Transactions and OTC XCCY Transactions pursuant to Chapter VIII booked to any such Client Transaction Account and Eurex Transactions that are booked to any such Client Transaction Account.

### **3.1.3 Margin Methodology**

- (1) For the calculation of the relevant margin requirement, Eurex Clearing AG applies either the Risk Based Margining methodology or the Eurex Clearing Prisma methodology (each a “**Margin Methodology**”) as specified by Eurex Clearing AG with respect to each Liquidation Group.
- (2) With regard to the Margin Methodologies, Eurex Clearing AG will publish the relevant applicable calculation method for all relevant types of margin in accordance with Number 16.1 on its homepage [www.eurexclearing.com](http://www.eurexclearing.com); each published Margin Methodology shall form part of these Clearing Conditions.

## **3.2 Eligible Margin Assets and Valuation; Large Exposures**

[...]

3.2.5 If

[...]

then Eurex Clearing AG shall be entitled to take the following measures to enable Eurex Clearing AG to comply with the relevant large exposure limit pursuant to Art 395 CRR or any other comparable regulatory requirement:

- (a) Eurex Clearing AG may, with respect to Clearing Members and Basic Clearing Members in respect of which an amount of Eligible Margin Assets in one or more of the Relevant Currencies in excess of the applicable **M**margin **R**requirement, Default Margin Requirement or Default Basic Clearing Member Margin Requirement (as relevant) has been actually delivered to Eurex Clearing AG and has not been returned, repaid or applied (such excess in one or more of the Relevant Currencies, with respect to each such **M**margin **R**requirement, Default Margin Requirement or Default Basic Clearing Member Margin Requirement, a “**Currency Margin Excess**”), pay to each such Clearing Member and Basic Clearing Member (without prior notice) an amount in one or more of the Relevant Currency up to the relevant Currencies Margin Excess (with the aggregate of such payments to all relevant Clearing Members and Basic Clearing Members not exceeding the Relevant Currency Surplus). [...]

[...]

[...]



## 6 Default Fund

[...]

### 6.1 Contributions to the Default Fund

#### 6.1.1 Contributions and Calculation of the Contributions to the Default Fund

- (1) Notwithstanding any ~~M~~margin ~~R~~requirement applicable to the Clearing Member in accordance with the Clearing Conditions, (i) each Clearing Member and (ii) subject to Number 9 of the Basic Clearing Member Provisions, each Clearing Agent separately with respect to each of its Basic Clearing Members shall make contributions to the Default Fund as further set out in this Number 6 (a contribution pursuant to (i) a “**CM Contribution**”, each contribution pursuant to (ii) a “**BCM Contribution**” and each such contribution to the Default Fund and each FCM Contribution a “**Contribution**”).

[...]

[...]

## Part 2 Elementary Clearing Model Provisions

[...]

### Part 2 Subpart A: General Elementary Clearing Model Provisions

[...]

## 4 Margin

### 4.1 Margin Requirement

- 4.1.1 Eurex Clearing AG will calculate margin requirements in accordance with Number 3.1.2 of the General Clearing Provisions:

- ~~(a) across all Own Transactions of each Clearing Member; and~~
- ~~(b) with respect to each Client Transaction Account of such Clearing Member, except that the relevant net margin requirement with respect to own transactions of a Disclosed Direct Client may be calculated across all DC Own Accounts of such Disclosed Direct Client (depending on the categorisation of such Disclosed Direct Client in the systems of Eurex Clearing AG).~~

- 4.1.2 The amount of Eligible Margin Assets to be delivered as cover in respect of Margin shall be determined by Eurex Clearing AG separately with respect to

- (i) the Internal Proprietary Margin Account for all Own Transactions of the Clearing Member in accordance with Number ~~43.1.4-2 (1)~~ (1) of the General Clearing Provisions; and

- (ii) each Internal Omnibus Margin Account reflecting the sum of the calculations for all Client Transaction Accounts (that relate to such Internal Omnibus Margin Account) in accordance with Number ~~43.1.24~~ 3.1.24 (1) (b) and (c), as applicable, of the General Clearing Provisions and taking into account any applicable Net Margin Instruction pursuant to ~~Number 3.1.2 (2) of the General Clearing Provisions~~ that relate to such Internal Omnibus Margin Account

[...]

Each Margin Requirement applicable to the Clearing Member pursuant to this Part 2 shall be in addition to any other ~~M~~margin ~~R~~requirement of the Clearing Member vis-à-vis Eurex Clearing AG pursuant to these Clearing Conditions.

[...]

## Part 4 Individual Segregated Account Provisions

[...]

### 6 Margin

#### 6.1 Margin Requirement

6.1.1 The Clearing Member is required to provide margin for all ISA Transactions in respect of each Internal ISA Margin Account (“**Margin**”) and Eurex Clearing AG will calculate separate margin requirements in accordance with Number 3.1.2 of the General Clearing Provisions ~~with respect to each ISA Transaction Account of such Clearing Member (depending on the categorisation of the Disclosed Direct Client in the systems of Eurex Clearing AG).~~

6.1.2 The amount of Eligible Margin Assets to be delivered as cover in respect of Margin shall be determined by Eurex Clearing AG separately with respect to each Internal ISA Margin Account reflecting the sum of the calculations for all ISA Transaction Accounts (that relate to such Internal ISA Margin Account) in accordance with Number 6.1.1 in conjunction with Number 3.1.2 (1) (b) and (c), as applicable, of the General Clearing Provisions and taking into account any applicable Net Margin Instruction pursuant to Number 3.1.2 (2) of the General Clearing Provisions ~~that relate to such Internal ISA Margin Account~~ (for the purpose of the ISA Provisions, a “**Margin Requirement**”).

[...]

[...]

## Part 6 Basic Clearing Member Provisions

[...]

### 2 Admission Criteria; Continuing Obligations

[...]

## 2.1 Basic Clearing Member

[...]

### 2.1.2 General Prerequisites for Basic Clearing Member Clearing Licenses

- (1) The Basic Clearing Member must be, (i) if domiciled in the EU, a credit institution, financial institution, investment firm, insurance undertaking, reinsurance undertaking, collective investment undertaking (in the case of an Unincorporated Fund, Sub-Fund or Fund Segment, acting through an Authorised Manager) as defined in Article 4 (1) of the CRR or an institution for occupational retirement provision as defined in Article 6 (a) of Directive 2003/41/EC or (ii), if domiciled outside the EU, an entity or undertaking whose functions correspond to those described in lit. (i) and which is supervised in its country of domicile according to standards equivalent to the applicable regulatory standards of the EU as determined by Eurex Clearing AG, in each case domiciled in a member state of the EU or in Switzerland.

[...]

- (3) The requirements and procedures pursuant to Part 1 Number 2.1.2 Paragraph (3) as regards available own funds, equivalent regulatory capital and assets under management shall likewise apply to a Basic Clearing Member (for the purpose of this reference, a Basic Clearing Member shall be considered as if it were a Clearing Member holding a Direct Clearing License), except that Part 1 Number 2.1.2 Paragraph (3) (d) shall not apply. If the own funds of the Basic Clearing Member fall below the minimum amount so required by Eurex Clearing AG from time to time, Eurex Clearing AG shall be entitled to require the Basic Clearing Member to provide Supplementary Margin; for the avoidance of doubt, non-compliance by the Basic Clearing Member with such requirement to provide Supplementary Margin shall constitute a Basic Clearing Member Termination Event. It is in Eurex Clearing AG's discretion to permit (or not permit) shortfalls in own funds, equivalent regulatory capital or the value of the assets under management, as applicable, to be made up, or continue to be made up, by Supplementary Margin.

[...]

[...]

## 7 Basic Clearing Member Margin

[...]

### 7.2 The Margin Requirement

- 7.2.1 ~~The amount of Eligible Margin Assets to be delivered as cover in respect of the relevant Margin for each Basic Clearing Member Standard Agreement shall be determined~~ Eurex Clearing AG will calculate the margin requirement in accordance with Number 3.4 2.1 (1) (a) of the General Clearing Provisions ~~(the "Default Basic Clearing Member Margin Requirement")~~.

7.2.2 The amount of Eligible Margin Assets to be delivered as cover in respect of Basic Clearing Member Margin shall be determined by Eurex Clearing AG ~~will determine the Default Basic Clearing Member Margin Requirement~~ separately with respect to each Basic Clearing Member Standard Agreement, based on the margin requirement for the Basic Clearing Member Transactions included in the relevant Basic Clearing Member Standard Agreement (the “Default Basic Clearing Member Margin Requirement”).

[...]

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