

Chapter II: Special Provisions for Clearing of Interest Rate Derivative Transactions

FCM Regulations of Eurex Clearing AG

As of 03.04.2023

Clearing of Interest Rate Derivative Transactions

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Provisions

1.7 Certain Definitions

In this Chapter II:

[...]

(9) The “**Currency/Business Day Matrix**” shall be the following matrix:

Currency	Defined Term	Definition: The lawful currency of:	Financial Center(s)	Currency specific provision/ rounding of amounts
[...]				
Norwegian Krone	NOK	The Kingdom of Norway	Oslo	
Polish Zloty	PLN	The Republic of Poland	Warsaw	
[...]				

[...]

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1.8 Index-related Provisions

[...]

1.8.1 Index Correction

- (1) Subject to any overriding provisions (as for HICPxT, FRCPIx and UK RPI in Number 2.2.5), for the purpose of determining the index level for a specific point in time (the “**Relevant Index Level**”), the Relevant Index Level will be subject to corrections (each an “**Index Correction**”), if any, to that information that are subsequently (i) published by the Index Administrator and/or (ii) provided by the Index Administrator to, and published by, authorised distributors of the Relevant Index Level, as applicable, in each case,

[...]

Part 2 Clearing of Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.3 Interest Rate Derivatives Clearing License

[...]

2.1.3.1 Requirements for the Granting of an Interest Rate Derivatives Clearing License

The general requirements for obtaining an FCM Clearing License set out in Chapter I Number 2 shall apply subject to the provisions set out in this Chapter II. In addition, the applicant applying for an Interest Rate Derivatives Clearing License shall meet the following requirements:

[...]

- (4) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions CHF, EUR, GBP, JPY, USD, DKK, NOK, ~~PLN~~ and/or SEK, bank cash account(s) in the relevant currency or currencies; and

[...]

2.1.5 Novation Criteria and Process Regarding Interest Rate Derivative Transactions

[...]

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2.1.5.1 Specific Novation Criteria and Terms for Swap Transactions

The following specific novation criteria must be fulfilled for Interest Rate Derivative Transactions (based on the Trade Record transmitted to Eurex Clearing AG via the ATS). To the extent the values are actually reflected in the Swap Trade Novation Report of an Interest Rate Derivative Transaction, they shall form the basis of the respective Interest Rate Derivative Transaction.

(1) Categories of Interest Rate Derivative Transactions

The Interest Rate Derivative Transactions must be (i) an interest rate swap (including “**basis**” swaps and zero coupon swaps) (“**IRS**”), (ii) an overnight index swap (“**OIS**”), or (iii) a forward rate agreement (“**FRA**”), ~~or (iv) a ZCIS and, in each case, a Product Type recognized by Eurex Clearing AG;~~

(2) Currencies

The currency must be

(i) for IRS (excluding basis swaps): EUR, USD, DKK, SEK or NOK ~~or PLN;~~

(ii) for basis swaps: EUR, USD, DKK, or NOK ~~or PLN;~~ and

(iii) for OIS: CHF, EUR, GBP, JPY or USD;

~~(iv) for ZCIS: EUR or GBP.~~

[...]

(3) Payment types

The payments by the parties must be of the following types:

(a) Fixed Rate or Fixed Amount (in each case including zero coupon payments) versus Floating Amount floating rate (including zero coupon payments); or

(b) (in case of IRS only) Floating Amount versus Floating Amount (in each case including zero coupon payments); ~~or~~

~~(c) (in case of ZCIS only) zero coupon annually compounding fixed rate versus the performance of the corresponding inflation index.~~

Payments of any amounts due under IRS, ~~ZCIS~~ or OIS (other than fees) must be in arrears (and not prior to or at the beginning of a calculation period).

Fees or other payments are defined at contract conclusion. The fees must be in trade currency.

(a) For IRS, OIS and FRA, in case of a termination, fees are settled one day after the termination date for CHF, EUR, GBP, and USD ~~and PLN~~ and two days after the termination date for JPY, DKK, NOK and SEK. In case of maturity, fees are settled on the maturity date.

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~~(b) For ZCIS, in case of a termination, fees are settled one day after the termination date. In case of maturity, fees are settled on the maturity date.~~

~~(b)~~ For IRS, also initial other payments/fees are eligible (the respective payer, the amount and the payment date then need to be specified).

[...]

(4) Maximum remaining term

The remaining term of the Interest Rate Derivative Transaction from the date of novation to the termination date must be

(a) in case of IRS

(i) for Original OTC Transactions in EUR, no more than 61 years (22,335 calendar days);

(ii) for Original Swap Transactions in USD, no more than 51 years (18,675 calendar days); and

(iii) for Original Swap Transactions in DKK, NOK or SEK, no more than 31 years (11,375 calendar days); ~~and~~

~~(iv) for Original Swap Transactions in PLN, no more than 16 years (5,874 calendar days);~~

[...]

(c) in case of FRA, for Original Swap Transactions in EUR, USD, DKK, NOK, ~~PLN~~ or SEK, no more than 3 years (1,225 calendar days), provided, however, in case of FRA referencing USD-LIBOR as the relevant floating rate for any eligible tenor, the termination date must not be on or after 01.04.2023.

~~(d) in case of ZCIS,~~

~~— (i) for transactions in EUR (indices HICPxT and FRCPI), no more than 30 years and 10 Business Days; and~~

~~— (ii) for transactions in GBP (index UK-RPI), no more than 50 years and 10 Business Days~~

(5) Minimum remaining term

In case of IRS, and OIS ~~and ZCIS~~, the minimum period between the date of novation and the Termination Date must be at least one Business Day for CHF, EUR, GBP, and USD ~~and PLN~~ and two Business Days for JPY, DKK, NOK or SEK.

In case of FRA which are settled in advance or in arrears, the minimum period between the date of novation and the payment date must be at least one Business Day for EUR, and USD ~~and PLN~~ and two Business Days for DKK, NOK and SEK.

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~~(6) Minimum term~~

~~In case of ZCIS, the minimum period between the Effective Date and the Termination Date must be at least 28 calendar days.~~

~~(67) Shortened or extended calculation period (stub period)~~

[...]

- (a) a short or long first calculation period (“**Interest Rate Front Stub Period**”) and/or a short or long last calculation period (“**Interest Rate Back Stub Period**”) may be specified for IRS and OIS per leg, provided that:

[...]

- (cc) Interest Rate Stub Periods must not be specified for Interest Rate Derivative Transactions with (i) payments of floating amounts which are calculated on a compounding basis (except OIS) as set out in Paragraph (167) below, or (ii) zero coupon payments.

- (b) The minimum period length of short Interest Rate Stub Periods is one day. The maximum period length for long Interest Rate Stub Periods for both, fixed rate payments under IRS in any eligible currency, and OIS is not restricted. The maximum period length for long Interest Rate Stub Periods is one year and one month for floating rate payments under IRS in EUR. For floating rate payments under IRS in USD, DKK, and NOK ~~and PLN~~, the maximum length for long Interest Rate Stub Periods is seven months and for floating rate payments under IRS in SEK the maximum length for long Interest Rate Stub Periods is six months.

- (c) For IRS floating payments, the floating rates for Interest Rate Stub Periods must be specified in the Trade Record submitted via the ATS as follows:

[...]

- (bb) if a floating rate index tenor is specified, which is used for the fixing in respect of the Interest Rate Stub Period, the respective tenors. The following tenors (W = week(s), M = month(s), Y = year) are eligible:

[...]

- ~~(iv) in case the currency is PLN: 1W, 2W, 1M, 3M, 6M;~~

- (iv) in case the currency is SEK: 1W, 1M, 2M, 3M;

- (vi) in case the currency is USD and the termination date is before 01.10.2021: 1W, 1M, 2M, 3M, 6M; in case the currency is USD and the termination date is on or after 01.10.2021: 1M, 3M, 6M.

[...]

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[...]

~~(78)~~ Floating Amount

In respect of the Floating Amount, the Floating Amount Payer and the criteria to determine the Floating Amount shall be specified.

~~(78a)~~ Floating Rate Options

For IRS, OIS, FRA, the following Floating Rate Options are eligible (where applicable, the relevant Designated Maturity needs to be specified) subject to further provisions:

[...]

~~(i) PLN-WIBOR (also referred to as PLN-WIBOR-WIBO);~~

~~(j) CHF-SARON-OIS Compound (also referred to as CHF-SARON-OIS-COMPOUND);~~

~~(k) EUR-EuroSTR-OIS Compound (also referred to as EUR-EuroSTR-COMPOUND);~~

~~(l) USD-SOFR-OIS Compound (also referred to as USD-SOFR-COMPOUND);~~

~~For ZCIS, the following indices are eligible:~~

~~(a) HICPxT (for ZCIS in trade currency EUR);~~

~~(b) FRCPIx (for ZCIS in trade currency EUR);~~

~~(c) UK RPI (for ZCIS in trade currency GBP).~~

~~(78b)~~ Floating Rate Day Count Fraction

For each floating leg, a Floating Rate Day Count Fraction is to be specified.

~~(78c)~~ Reset Dates

For each floating leg, the Reset Dates shall be specified.

~~(78d)~~ Fixing Day offset

A Fixing Day offset may be specified in the limits of the following parameters:

[...]

(c) for FRAs:

(i) where settlement in advance is specified, for the floating leg referencing

[...]

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(B) EUR-EURIBOR, USD-LIBOR, ~~PLN-WIBOR~~: -10 to -1 Business Days;

[...]

~~(89)~~ Fixed Amounts

[...]

Fixed Rates for IRS, OIS, ~~ZCIS~~ and FRA can have any value specified by up to 8 decimal points and may be less than zero, equal to zero or greater than zero.

[...]

~~(89a)~~ Delayed Payments

Delayed Payments (also called payment lags or payment offsets and which shall be interpreted in accordance with Section 3.1.9 of the 2021 ISDA Definitions) may be specified within the following parameters:

(a) for IRS:

(i) between 0 and 2 Business Days for legs referencing USD-LIBOR, EUR-EURIBOR, DKK-CIBOR, SEK-STIBOR, NOK-NIBOR, ~~PLN-WIBOR~~,

[...]

~~(d) for ZCIS: 0 Business Days.~~

~~(409)~~ Spreads

For IRS, ~~ZCIS~~, OIS (but not for FRAs), spreads may be specified for the floating leg(s) and/or fixed leg.

IRS (but not ~~ZCIS~~, OIS or FRA) may have a Floating leg and/or fixed leg spread schedule, i.e. the spread applicable to the floating leg and/or fixed leg may vary across the calculation periods relative to their value in the relevant preceding calculation period provided that any such change to the spread may only occur at the start of the relevant calculation period and must be pre-determined and specified in the Trade Record submitted via the ATS. Spread schedules are not eligible for zero coupon payments or payments made on a compounding basis.

~~(104)~~ Calculation periods

The calculation period(s) for payment(s) of floating amounts under the relevant Interest Rate Derivative Transaction in USD must be one month, three months, six months or twelve months and the calculation period(s) for payment(s) of floating amounts under an Interest Rate Derivative Transaction in EUR (other than OIS) must be one month, three months or six months (in all cases except for Interest Rate Stub Periods, zero coupon payments and payments on a compounding basis). For OTC Interest Rate Derivative Transaction (other than OIS) in SEK calculation

period(s) for payment(s) of floating amounts must be three months and for DKK, or NOK, ~~or~~ PLN three months and six months.

[...]

Except for ~~ZCIS and FRA~~, the start and end dates can be different for each leg of an Interest Rate Derivative Transaction.

(112) Notional amount

The minimum notional amount must be (i) 0.01 for CHF, EUR, GBP, USD, DKK, NOK, or SEK ~~or~~ PLN or (ii) 1.00 for JPY.

Except for ~~ZCIS and FRA~~, the notional amounts can be different for each swap leg and may vary across the calculation periods relative to their value in the relevant preceding calculation period. The changes in notional can only take place at the start of the calculation periods and must be pre-determined and specified in the Trade Record submitted via the ATS. Changes in the notional amount across calculation periods may not be specified for ~~ZCIS and FRA~~.

[...]

(123) Day Count Fraction conventions

[...]

(134) Business Days

[...]

(b) At least the specification of the following financial center(s) and/or terms is mandatory for the Interest Rate Derivative Transaction, further financial center(s) and/or terms may be added optionally as set out in limb (a):

Referenced floating rate index	FpML code of the mandatory financial center(s) and/or terms		
	For Payment Date	For Effective Date, Termination Date	For Fixing Days
[...]			
NOK-NIBOR-OIBOR NOK-NIBOR-NIBR	NOOS	NOOS	NOOS
PLN-WIBOR-WIBO	PLWA	PLWA	PLWA
[...]			

Referenced floating rate index	FpML code of the mandatory financial center(s) and/or terms		
	For Payment Date	For Effective Date, Termination Date	For Fixing Days
JPY-TONA-OIS-COMPOUND	JPTO	JPTO	JPTO
HICP_{xT}, ERCPI_x	EUTA	EUTA	n/a
UK RPI	GBLO	GBLO	n/a

(145) Business Day Convention

[...]

(156) Special eligibility criteria for FRA

[...]

(167) Compounding

[...]

(178) Caps, floors, collars

[...]

(189) Effective Date

IRS, OIS and FRA may have an Effective Date at present (spot starting), in the future (forward starting) or in the past (backloading). ~~ZCIS may only be spot starting and starting in the past.~~

(1920) Payment Dates

[...]

~~(21) Special eligibility criteria for ZCIS~~

~~— For ZCIS, the initial index level may be optionally specified. Further, the inflation index fixing lag and the inflation index interpolation method shall be specified.~~

(202) If Original Swap Transactions containing break clauses (Kündigungsrechte) (including, but not limited to optional and/or mandatory early termination rights) are

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submitted to Eurex Clearing AG for clearing, such break clauses will not become part of the Interest Rate Derivative Transactions.

(213) No application of unscheduled holiday provisions to Period End Dates or Termination Dates

[...]

(224) No application of Rate Cut-off Dates

[...]

2.1.5.2 Documentation of Original Swap Transactions

(1) In the Trade Record submitted via the ATS in respect of an Original Swap Transaction for purposes of Clearing of Interest Rate Derivative Transactions, any bilateral master agreement may be specified and, in respect of the applicable contractual definitions, the following frameworks are allowed:

(i) the 2000 ISDA Definitions, the 2006 ISDA Definitions and, the 2021 ISDA Definitions, ~~the 2006 ISDA Inflation Derivatives Definitions and the 2008 ISDA Inflation Derivatives Definitions~~,

[...]

2.2 Product-related terms for Interest Rate Derivative Transactions

The following product-related terms shall apply to Interest Rate Derivative Transactions.

2.2.1 Payment Obligations

[...]

(3) Payments under the relevant Original Swap Transaction will not be owed under the relevant Swap Transaction and are not subject to these FCM Clearing Conditions in case these payments (i) are in CHF, EUR, GBP, or USD ~~or~~ PLN and were due on or before the day of novation or (ii) are in JPY, DKK, NOK or SEK and will become due on the next Business Day following the day of novation.

[...]

(5) The following additional primary payment obligations apply:

[...]

(b) A price alignment amount ("**Price Alignment Amount**" or "**PAA**") shall be payable by the FCM Clearing Member or Eurex Clearing AG, as the case may be, together with the Variation Settlement Amount.

(aa) [...]

For CHF ~~and~~ PLN, PAA is defined as:

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[...]

For T+2 currencies (JPY, DKK, NOK and SEK) the Variation Settlement Amount is settled on T+2 (in contrast to CHF, EUR, GBP, and USD ~~and~~ PLN where the Variation Settlement Amount is settled on T+1). The value of the Variation Settlement Amount instructed on T settles on T+2 and reflects the interest payment from T+1 to T+2. It is calculated as:

[...]

(bb) The relevant indices to determine the PAA are

[...]

~~(viii) In case the currency is PLN then POLONIA (Polish Overnight Index Average);~~

~~(ixviii)~~ In case the currency is SEK then STIBOR T/N.

[...]

2.2.3 Calculation of a Fixed Amount

[...]

(b) Fixed Amount – Non-Compounded

Subject to limb (c), if an amount is not specified in the Swap Trade Novation Report as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, and if such amount is not otherwise determined as provided in the Swap Trade Novation Report, an amount calculated that Payment Date or for the related Calculation Period as follows:

Fixed Amount = Calculation Amount x Fixed Rate x Fixed Rate Day Count Fraction.

— or in case of ZCIS as:

Fixed Amount = Calculation Amount x ((1 + Fixed Rate)Term - 1)

[...]

2.2.4 Calculation of a Floating Amount

[...]

~~(4) The floating payment amount of ZCIS is calculated as:~~

Floating Amount = Calculation Amount x (inflation index value at maturity / start inflation index value - 1)

— The specified fixing lag and index interpolation method must be considered.

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2.2.5 Rates for calculating the Floating Amount

- (1) Subject to Number 1.8, when calculating the Floating Amounts, the applicable Relevant Rate will be determined by Eurex Clearing AG on the basis of the Floating Rate Option label (and Designated Maturity, where applicable) as specified in the Swap Trade Novation Report in accordance with the following matrix (the “**Floating Rate Matrix**”):

Floating Rate Option: label specified in the Swap Trade Novation Report	Category / style	Underlying index and index administrator	Designated Maturity	Fixing Time (unless specified otherwise in the Swap Trade Novation Report)	Fixing Day (unless specified otherwise in the Swap Trade Novation Report)	Floating Rate Day Count Fraction	Rounding
[...]							
NOK-NIBOR (or NOK-NIBOR-NIBR, NOK-NIBOR-OIBOR)	Category: Screen Rate Style: Term Rate	Index: Norwegian Interbank Offered Rate (" NIBOR ") Index Administrator: Norske Finansielle Referanser AS	Applicable	12:00, Oslo time	2 Oslo Business Days preceding the Reset Date	As specified in the Swap Trade Novation Report	
PLN-WIBOR (or PLN-WIBOR-WIBO)	Category: Screen Rate Style: Term Rate	Index: Warsaw Interbank Offered Rate (" WIBOR ") Index Administrator: GPW Benchmark S.A.	Applicable	11:00, Warsaw time, with the exception of the overnight and tomorrow/next rates for which the fixing time shall be 17:00, Warsaw time	2 Warsaw Business Days preceding the Reset Date	Actual/365 (Fixed)	
[...]							

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[...]

(6) ~~Floating Rates for ZCIS~~

- (a) ~~“HICP_T” means the non-revised Eurozone Harmonised Index of Consumer Prices excluding Tobacco or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and provided by the Index Administrator and published by an authorized distributor or the Index Administrator itself. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.~~
- (b) ~~“FRCP_I” means the non-revised French Inflation Consumer Price Index excluding Tobacco or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and provided by the Index Administrator and published by an authorized distributor or the Index Administrator itself. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.~~
- (c) ~~“UK RPI” means the non-revised UK Retail Price Index or relevant Successor Index, measuring the all items rate of inflation in the United Kingdom expressed as an index provided by the Index Administrator and published by an authorized distributor or the Index Administrator. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.~~

(67) [...]

If a Floating Rate is to be determined with respect to an Interest Rate Stub Period and “**Linear Interpolation**” is not specified as applicable with respect to such determination, the floating rate for such Interest Rate Stub Period shall be determined pursuant to Number 2.1.5.1 (76) (c) (aa), (bb) or (dd) and/or Part 1 Number 1.8.3, as applicable.

2.2.6 Day Count Fraction Conventions

The following Day Count Fraction conventions may be specified in the Swap Trade Novation Report based on the Trade Record transmitted via the ATS for determining the applicable day count fraction:

[...]

- (8) 1/1, which shall have the meaning given to “1/1” in the 2021 ISDA Definitions and which shall be applied as the standard and only eligible day count fraction convention to ZCIS.

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[...]

2.6 Trade Netting and Accumulation

[...]

2.6.1 Inclusion of Swap Transactions in the Netting and Accumulation Process

- (1) All Swap Transactions that are Interest Rate Derivative Transactions are eligible for Netting provided that:

[...]

“Interest Rate Trade Criteria” means the commercial terms of the relevant Swap Transactions, in particular:

- (a) with respect to IRS, ~~ZCIS~~ and OIS:

[...]
