

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions

As of 17.09.2018

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

Preamble

This Chapter VIII forms an integral part of the Clearing Conditions of Eurex Clearing AG and respective references in other rules or documents to the Clearing Conditions shall also apply to this Chapter VIII.

Chapter I together with this Chapter VIII and all references to other Chapters or Annexes of the Clearing Conditions shall apply for to (i) all Clearing Members ~~(including OTC IRS FCM Clearing Members)~~ with a respective Clearing License, their ~~Non-Clearing Members,~~ Registered Customers, and ICM Clients ~~and OTC IRS FCM Clients~~, (ii) Basic Clearing Members with a respective Basic Clearing Member Clearing License and their Clearing Agents as well as (iii) all Interim Participants (in each case, if applicable).

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Part 1 General Provisions

- (1) Eurex Clearing AG offers the Clearing and settlement of interest and currency related products traded over-the-counter which are **OTC Interest Rate Derivative Transactions**, (as defined in Part 2 Number 2.1.1), OTC FX Transactions (as defined in Part 3 Number 3.1.1) or OTC XCCY Transactions (as defined in Part 4 Number 4.1.1 and together with the OTC FX Transactions, the “**OTC Currency Transactions**”) provided that such OTC Interest Rate Derivative Transactions and OTC Currency Transactions meet the applicable novation criteria set out in Number 1.2.3.
- (2) In addition to the offering of the Clearing of OTC Interest Rate Derivatives Transactions and OTC Currency Transactions under this Chapter VIII, Eurex Clearing AG offers the clearing of Interest Rate Derivative Transactions (as defined in Chapter I Number 1.1.5 of the FCM Regulations (as defined in Chapter I Part 1 Number 6)) to FCM Clearing Members (as defined in Chapter I Part 1 Number 6). If an Original OTC Transaction (as defined in Chapter I Part 1 Number 1.2.2 Paragraph (2)) or an Original Swap Transaction (as defined in Chapter I Number 1.3.3 of the FCM Regulations), in each case concluded between a Clearing Member (or, as relevant, a Basic Clearing Member or a Registered Customer) and an FCM Clearing Member or an FCM Client (as defined in Chapter I Number 1.1.9 of the FCM Regulations) is accepted for inclusion into the clearing procedures of Eurex Clearing AG, an OTC Interest Rate Derivatives Transaction between Eurex Clearing AG and the relevant Clearing Member in accordance with the Clearing Conditions (and subject to this Part 1 and Part 2) and an Interest Rate Derivatives Transaction with corresponding terms between Eurex Clearing AG and an FCM Clearing Member (subject to and in accordance with the FCM Clearing Conditions) will be created at the same time by way of novation.
- (23) In addition to this Chapter VIII, (i) the provisions of Chapter I, including in particular the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the ICM for Specified Clients Provisions, ~~the U.S. Clearing Model Provisions~~ and the Basic Clearing Member Provisions shall apply to the Clearing of OTC Interest Rate Derivative Transactions and (ii) the provisions of Chapter I, including in particular the Elementary Clearing Model Provisions (but excluding the Individual Clearing Model Provisions, the Net Omnibus Clearing Model Provisions, ~~the U.S. Clearing Model Provisions~~ and the Basic Clearing Member Provisions) shall apply to the Clearing of OTC FX Transactions and OTC XCCY Transactions, unless – in case of both (i) and (ii) – otherwise provided hereinafter.
- (34) This Chapter VIII does not apply to the Clearing of Eurex Off-Book Trades as specified in Chapter II Part 4 and the OTC Transactions specified in Chapter V Part 1 Number 1.3.

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1.1 Clearing License

1.1.1 Granting of the Clearing License

In order to participate in the Clearing of (i) OTC Interest Rate Derivative Transactions, (ii) OTC FX Transactions and (iii) OTC XCCY Transactions, a clearing license for each relevant Transaction Type (as defined in Chapter I Part 1 Number 1.1.2) is required (each an “**OTC Clearing License**”). The OTC Clearing License may be granted by Eurex Clearing AG upon written application. Each OTC Clearing License may be restricted to certain product groups within the scope of a Transaction Type if this is provided for in respect of such OTC Clearing License. Notwithstanding Chapter I Part 1 Number 2.1.1 Paragraph (4),

(A) an Interest Rate Derivatives Clearing License (as defined in Part 2 Number 2.1.3), as regulated in more detail in the respective Clearing Agreement, will be exclusively issued as a

- (i) General Clearing License which entitles its holder to clear Own Transactions, UDC-Related Transactions, SC-Related Transactions and RC-Related Transactions (all as defined in Chapter I Part 1 Number 1.2.3) or, in respect of OTC IRS U.S. Clearing Members, Own Transactions ~~and, if the OTC IRS U.S. Clearing Member is an OTC IRS FCM Clearing Member, also OTC IRS FCM Client Transactions;~~ or

[...]

1.1.2 Prerequisites of the Clearing License

[...]

1.2 Conclusion of Transactions

———OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions pursuant to this Chapter VIII are concluded by way of novation. ~~in accordance with the following provisions:~~ The following provisions apply to the novation of an Original OTC Transaction if at least one counterparty of such Original OTC Transaction is a Clearing Member, Basic Clearing Member or a party having designated a Clearing Member for purposes of the Clearing. In circumstances in which an FCM Clearing Member or an FCM Client of an FCM Clearing Member acts as the counterparty of an Original OTC Transaction, for purposes of this Chapter VIII, the term “Original OTC Transaction” means, when used in relation to such FCM Clearing Member, an Original Swap Transaction as defined in Chapter I Number 1.1.1 of the FCM Regulations, and a Swap Transaction (as defined in Chapter I Part 1 Number 6) means either an FCM Own Transaction or an FCM Client Transaction (as defined in Chapter I Number 1.3.2 Paragraph (2) of the FCM Regulations). The provisions of this Number 1.2 also apply in connection with certain post-trade events, as further specified in Number 1.2.8.

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1.2.1 **Novation of Original OTC Transactions**

- (1) For the purposes of including OTC Interest Rate Derivative Transactions, OTC FX Transactions and/or OTC XCCY Transactions into the Clearing by Eurex Clearing AG, the trade record of the relevant Original OTC Transaction ~~(as defined in Chapter I Part 1 Number 1.2.2 Paragraph (2))~~ has to be transmitted to Eurex Clearing AG via an Approved Trade Source System / ATS (both as defined in Paragraph (7)(a) below).
- (2) Whenever the trade record of an Original OTC Transaction, including, as the case may be, a Credit Limit Token (as defined in Sub-Paragraph (b)(ii) below), is transmitted to Eurex Clearing AG via an ATS (such record, including, as the case may be, a Credit Limit Token, hereinafter referred to as a **"Trade Record"**); and
 - (a) (x) with respect to an OTC Interest Rate Derivative Transaction, the parties to the related Original OTC Transaction are Clearing Members or Basic Clearing Members, each holding the relevant Interest Rate Derivatives Clearing License ~~or OTC IRS FCM Clients~~ or an FCM Clearing Member holding an FCM IRS License or (y) with respect to an OTC FX Transaction or an OTC XCCY Transaction, the parties to the related Original OTC Transaction are Clearing Members, each holding the relevant OTC Currency Products Clearing License; or
 - (b) with respect to an OTC Interest Rate Derivative Transaction, only if any party to the Original OTC Transaction is neither a Clearing Member or a Basic Clearing Member, in each case holding the relevant Interest Rate Derivatives Clearing License, an FCM Clearing Member holding an FCM IRS License nor an FCM Client nor a Basic Clearing Member: according to such Trade Record, ~~the a~~ Clearing Member holding the relevant Interest Rate Derivatives Clearing License has been designated as a Clearing Member for such party ~~_~~ with respect to the relevant Original OTC Transaction, and
[...]
 - (c) Eurex Clearing AG accepts such Original OTC Transaction for inclusion in the Clearing Procedures by making an OTC Trade Novation Report available to the Clearing Member ~~(in the case of an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client)~~ or, if applicable, the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) electronically via its system,

CCP Transactions and, if applicable, CM-RC Transaction(s), Client Clearing CM-RC Transaction(s) or CM-Customer Transaction(s) will be concluded (i) in accordance with Chapter I Part 1 Number 1.2.2 Paragraph (2) and, with respect to ECM Transactions, Chapter I Part 2 Subpart A Number 2.1, ~~(ii) in the case of CCP-OTC IRS FCM Client Transactions, Chapter I Part 5 Number 1.4,~~ or (iii) in case of a Basic Clearing Member Transaction, Chapter I Part ~~5-6~~ Number 1.3, in each case as further specified with respect to OTC Interest Rate Derivative Transactions in Part 2,

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with respect to OTC FX Transactions in Part 3 and with respect to OTC XCCY Transactions in Part 4.

If one party to the Original OTC Transaction is an FCM Clearing Member or an FCM Client, the conclusion and content of the relevant Swap Transaction between Eurex Clearing AG and such FCM Clearing Member (or, as applicable, the FCM Clearing Member of such FCM Client) is subject to the provisions of the FCM Regulations.

- (3) Any acceptance of the Original OTC Transaction by Eurex Clearing AG for inclusion in the Clearing and the related novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2) and, with respect to ECM Transactions, Chapter I Part 2 Subpart A Number 2.1, ~~or, in the case of CCP-OTC IRS FCM Client Transactions, Chapter I Part 5 Number 1.4,~~ or, in the case of a Basic Clearing Member Transaction, Chapter I Part 6 Number 1.3, as applicable, will be subject to the novation criteria pursuant to Number 1.2.3 and will be based on the Trade Record including, as the case may be, the Credit Limit Token, provided by the ATS on behalf of the parties to the Original OTC Transaction. [...]
- (4) Under the CCP Transactions created upon novation, the relevant Clearing Member or, if applicable, the relevant Basic Clearing Member has, in economic terms, the same economic role (e.g. as floating rate payer or as fixed rate payer, respectively) as such Clearing Member or Basic Clearing Member (in case of Own Transactions), or Registered Customer (in case of RC-Related Transactions) or Undisclosed Direct Client (in case of UDC-Related Transactions) or Specified Client (in case of SC-Related Transactions) of the Clearing Member had under the Original OTC Transaction (in the case of STM Interest Rate Derivative Transactions, subject to the amendments pursuant to Part 2 Number 2.1.4 Paragraph (3), in the case of STM FX Transactions, subject to the amendments pursuant to Part 3 Number 3.1.4 Paragraph (3), and in the case of STM XCCY Transactions, subject to the amendments pursuant to Part 4 Number 4.1.4 Paragraph (3)). The same principle applies to CM-RC Transactions *mutatis mutandis*. ~~Under the CCP-OTC IRS FCM Client Transactions created upon novation, the relevant OTC IRS FCM Client has, in economic terms, the same economic role (e.g. as floating rate payer or as fixed rate payer, respectively) as such OTC IRS FCM Client had under the Original OTC Transaction.~~
- (5) It is the responsibility of the parties to the Original OTC Transaction to agree on a bilateral basis that the Original OTC Transaction shall be cancelled upon novation. ~~With respect to any Original OTC Transaction to which an OTC IRS FCM Client is a party, this provision shall not apply and instead only Chapter I Part 5 Number 1.4 Paragraph (4) applies.~~

[...]

- (7) For the purposes of this Chapter VIII,
- (a) “**Approved Trade Source System**” or “**ATS**” means a provider of trade information to be appointed by each of the parties to an Original OTC

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Transaction, and recognised by Eurex Clearing AG, for the purpose of transmitting Trade Records for Clearing with Eurex Clearing AG, as published on the website of Eurex Clearing AG (www.eurexclearing.com).

- ~~(b)~~ **“CCP-OTC IRS FCM Client Transaction”** means ~~with respect to a Clearing Agreement with an OTC IRS FCM Client in the form appended to the Clearing Conditions as Appendix 9, an OTC Interest Rate Derivative Transaction established between Eurex Clearing AG and the relevant OTC IRS FCM Client pursuant to Paragraph (2) and Chapter I Part 5 Number 1.4.~~
- ~~(eb)~~ **“CCP Transaction”** means ~~(A)~~ any OTC Interest Rate Derivative Transaction, OTC FX Transaction or OTC XCCY Transaction (i) between Eurex Clearing AG and the relevant Clearing Member created pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2) or (ii) if applicable, between Eurex Clearing AG and the relevant Basic Clearing Member created pursuant to Chapter I Part 6 Number 1.3 Paragraph (2) ~~or (B) if applicable, a CCP-OTC IRS FCM Client Transaction between Eurex Clearing AG and the relevant OTC IRS FCM Client.~~
- ~~(dc)~~ **“CM-RC Transaction”** means, with respect to a Clearing Agreement with a Registered Customer in the form appended to the Clearing Conditions as Appendix 2 or Appendix 3, an OTC Interest Rate Derivative Transaction corresponding to a certain CCP Transaction (which is an OTC Interest Rate Derivative Transaction) and which has been created between the Clearing Member and a Registered Customer pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2) provided that if a CCP Transaction is subject to the Elementary Clearing Model Provisions, it is a matter of the relevant bilateral agreement(s) between the Clearing Member and the relevant Registered Customer whether a CM-RC Transaction will be concluded between the Clearing Member and such Registered Customer.
- ~~(ed)~~ **“Client Clearing CM-RC Transaction”** means, with respect to the Individual Clearing Model Provisions under Client Clearing Documentation, a transaction corresponding to a CCP Transaction and which has been created between the Clearing Member and the Registered Customer of the Clearing Member in accordance with the Client Clearing Agreement (as defined in Chapter I Part 3 Subpart C Number 2.1.1) between the relevant Clearing Member and its Registered Customer and which are not subject to these Clearing Conditions. A Client Clearing CM-RC Transaction shall exclusively be regulated by the Client Clearing Agreement which may refer to these Clearing Conditions.
- ~~(fe)~~ **“CM-Customer Transaction”** means a transaction corresponding to a CCP Transaction and which has been created between the Clearing Member and an Undisclosed Direct Client or a Specified Client of the Clearing Member in accordance with the contractual arrangements between them. A CM-Customer Transaction shall exclusively be subject to the contractual arrangements between the relevant Clearing Member and its Undisclosed Direct Client or Specified Client, which may refer to these Clearing Conditions.

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(f) **“FCM IRS License”** means an Interest Rate Derivatives Clearing License as defined in the FCM Regulations.

(g) **“FCM Own Transaction”** means an Own Transaction as defined in Chapter I Number 1.3.2 Paragraph (1) of the FCM Regulations.

~~(gh)~~ **“OTC Trade Daily Summary Report”** means a report that lists events occurring after the original novation which will be made available to the Clearing Members or Basic Clearing Members holding an Interest Rate Derivatives Clearing License (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) and/or to the Clearing Members holding an OTC Currency Products Clearing License electronically via Eurex Clearing AG's system on each Business Day. The last OTC Trade Daily Summary Report will be made available at or around 11 pm (Frankfurt am Main time).

(hi) **“OTC Trade Novation Report”** means a report produced by Eurex Clearing AG on the basis of the Trade Records transmitted via the relevant ATS which specifies the Original OTC Transactions to be novated into the respective CCP Transactions and, if applicable, the CM-RC Transaction(s), Client Clearing CM-RC Transaction(s) or CM-Customer Transaction(s).

(ij) **“STM Transaction”** means any STM Interest Rate Derivative Transaction, STM FX Transaction and STM XCCY Transaction.

(jk) **“STM Interest Rate Derivative Transaction”** means an STM Eligible Interest Rate Derivative Transaction in respect of which an IRS STM Election has been made.

~~(kl)~~ **“STM FX Transaction”** means an STM Eligible FX Transaction in respect of which an FX STM Election has been made.

~~(lm)~~ **“STM XCCY Transaction”** means an STM Eligible XCCY Transaction in respect of which an XCCY STM Election has been made.

~~(mn)~~ **“Settled-to-Market”** means that the outstanding exposure of (i) an STM Interest Rate Derivative Transaction is settled pursuant to Number 2.2.1 Paragraph (5), (ii) an STM FX Transaction is settled pursuant to Number 3.2.1 Paragraph (4) or (iii) an STM XCCY Transaction is settled pursuant to Number 4.2.1 Paragraph (5), as applicable.

1.2.2 Legal Effectiveness of **the** Novation

The novation becomes legally effective at the point in time when Eurex Clearing AG accepts the relevant Original OTC Transaction for Clearing by making the relevant OTC Trade Novation Report available to the relevant Clearing Member ~~(and, in the case of a CCP-OTC IRS FCM Client Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client)~~ or, if applicable, to the relevant Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system.

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1.2.3 Novation Criteria

[...]

1. A Trade Record of the Original OTC Transaction must be transmitted to the system of Eurex Clearing AG via an ATS and the Original OTC Transaction was ~~either~~
 - (i) entered into between ~~two parties, each of which is a two~~ Clearing Members, ~~two a~~ Basic Clearing Members ~~or or a Clearing Member and a Basic Clearing Member~~ an FCM Clearing Member as provided for in Number 1.2.1 Paragraph (2) (a), in each case holding the relevant OTC Clearing License or the relevant FCM IRS License, as applicable, on the basis of the specifications made in such Trade Record, or
 - ~~(ii)~~ (a) with respect to any party to the Original OTC Transaction that is neither a Clearing Member, a Basic Clearing Member, an FCM Clearing Member nor an FCM Client, accepted by the relevant Clearing Member(s) holding the relevant OTC Clearing License, as provided for in Number 1.2.1 Paragraph (2) (b) (i) or Number 1.2.1 Paragraph (2) (b) (ii), or
 - (b) with respect to any party to the Original OTC Transaction that is an FCM Client, accepted by the relevant FCM Clearing Member as provided for in the applicable provisions of the FCM Regulations.
2. The Trade Record must specify in respect of the relevant Original OTC Transaction (i) that it is to be cleared by Eurex Clearing AG as well as (ii) (A) if any party of the Original OTC Transaction is a Clearing Member or Basic Clearing Member which does not hold the relevant OTC Clearing License, the Clearing Member holding the relevant OTC Clearing License selected by such party, ~~or (B) if any party of the Original OTC Transaction is an OTC IRS FCM Client, the OTC IRS FCM Clearing Member of such OTC IRS FCM Client or~~ ~~(CB)~~ if any party of the Original OTC Transaction is a Basic Clearing Member, the Clearing Agent of such Basic Clearing Member or (C) if one party of the Original OTC Transaction is an FCM Client, the relevant FCM Clearing Member holding the relevant FCM IRS License;
3. [...]
4. No Termination Date has occurred with respect to a Clearing Member and no Termination Time (as defined in Chapter I Number 9.2.3 of the FCM Regulations) has occurred with respect to an FCM Clearing Member, in each case through which ~~the an novated OTC Transaction or a Swap Transaction resulting from the novation of the~~ Original OTC Transaction is to be cleared;
5. No Basic Clearing Member Termination Date has occurred with respect to a Basic Clearing Member in respect of which the novated Original OTC Transaction is to be cleared;

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6. No Registered Customer who is a party to the Original OTC Transaction has been excluded from the Clearing of Original OTC Transactions as set out in this Chapter VIII;
- ~~7. No OTC IRS FCM Client Termination Date has occurred with respect to an OTC IRS FCM Client that is a party to the Original OTC Transaction;~~
- ~~87. Such The~~ Original OTC Transaction that is transmitted to the system of Eurex Clearing AG in order to be novated into an OTC Interest Rate Derivative Transaction must be of a product type recognised by Eurex Clearing AG as published on its website (www.eurexclearing.com) and provided for in Part 2 (the “**Product Type**”);
- ~~98. The Clearing Member(s) (including, in the case of OTC Interest Rate Derivative Transactions that are OTC IRS FCM Client Transactions, the relevant OTC IRS FCM Clearing Member(s) acting for the account of the relevant OTC IRS FCM Client(s)) and, if applicable, the Basic Clearing Member(s) that shall be a party to the OTC Transaction resulting from the novation of the Original OTC Transaction and, if applicable, the FCM Clearing Member(s) that shall be a party to the Swap Transaction resulting from the novation of seeking to clear the relevant Original OTC Transaction must have delivered Eligible Margin Assets (with respect to an FCM Clearing Member, as defined in the FCM Regulations) to Eurex Clearing AG, in the case of OTC Interest Rate Derivative Transactions, as required pursuant to Chapter I Part 1 Number 3, the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the ICM for Specified Clients Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Clearing Provisions, and, in the case of Interest Rate Derivative Transactions (as defined in the FCM Regulations), as required pursuant to relevant provisions in the FCM Regulations, and, in the case of OTC FX Transactions and OTC XCCY Transactions, as required pursuant to Chapter I Part 1 Number 3 and the Elementary Clearing Model Provisions, in each case to cover the calculated risks resulting from all Transactions (or, in respect of an FCM Clearing Member, the Swap Transaction) and the CCP Transaction to be created;~~
- ~~109.~~ The Clearing Member must have complied with the scheduled intraday margin calls as further set out below and if applicable:
- (a) If Eurex Clearing AG determines that the aggregate value of the Eligible Margin Assets actually delivered to Eurex Clearing AG by the Clearing Member is insufficient to provide the cover required in order to fulfil the margin requirements (as set forth in Part 2 Number 2.1.7, Part 3 Number 3.1.7 and Part 4 Number 4.1.7) also taking into account all CCP Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7 and Part 4 Number 4.8 (any such shortfall of Eligible Margin Assets, the “**Shortfall Margin Requirement**”), Eurex Clearing AG will require the Clearing Member ~~(in the case of CCP-OTC IRS FCM Client Transactions, the relevant OTC~~

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~~IRS FCM Clearing Member acting for the account of the relevant OTC IRS FCM Client~~ or the Basic Clearing Member, as the case may be, to provide additional Eligible Margin Assets intra-day in an amount up to the Shortfall Margin Requirement (such amount, the “**Shortfall Margin Amount**”) in accordance with the following provisions.

[...]

- (d) The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 1 p.m., 3 p.m. and 7 p.m. (each Frankfurt am Main time) shall constitute cover in respect of the Margin to which the margin requirement pursuant to Part 2 Number 2.1.7, Part 3 Number 3.1.7 or Part 4 Number 4.1.7, as applicable, relates and accordingly will constitute
- (i) Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) Margin delivered by the Clearing Member pursuant to the ICM for Specified Clients Provisions, ~~(iv) OTC IRS FCM Client Margin delivered by the relevant OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions~~ or (iv) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions, if applicable. The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 10:30 p.m. (Frankfurt am Main time) shall be treated accordingly and shall constitute cover either in respect of (i) the Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) the Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) Margin delivered by the Clearing Member pursuant to the ICM for Specified Clients Provisions, ~~(iv) the OTC IRS FCM Client Margin delivered by the OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions~~ or (iv) the Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions, if applicable.
- (e) [...]
- (f) The margin call pursuant to this Number 1.2.3 Paragraph (10) applies in addition to the Margin Calls pursuant to Chapter I Part 1 Number 3.3, Part 2 Number 6.3, Part 3 Subpart A Number 5.3, Part 4 Number 6.2, ~~Part 5 Number 5.3~~ and Part 6 Number 7.3, as applicable;

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4110. If such Original OTC Transaction is transmitted to the system of Eurex Clearing AG in order to be novated into an OTC Currency Transaction, then the novation of such Original OTC Transaction and the resulting payment obligations to be settled (including payment obligations with respect to trade related fees and Variation Margin (calculated on the basis of Forecasted Variation Margin only), but excluding payment obligations with respect to Margin, Settlement Compensation Margin, FX PAI and XCCY PAI) must not result in any of the Clearing Members exceeding on the two Business Days for the relevant Currency Pair (as set out in Part 3 Number 3.1.4.1 Paragraph (4)) immediately following the date of the novation:

[...]

4211. All applicable additional novation criteria set forth in Part 2, Part 3 and Part 4 (as applicable) (and, if one of the transactions that shall result from the novation of the Original OTC Transaction is a Swap Transaction, the applicable novation criteria pursuant to the FCM Regulations) are fulfilled-

- (2) If a novation criterion is not fulfilled but the relevant OTC Trade Novation Report has nevertheless been made available via the system of Eurex Clearing AG and, accordingly, novation is effective, Eurex Clearing AG is entitled to terminate the CCP Transactions by notifying (i) the relevant Clearing Member(s)- and (in the case of an Original OTC Transaction to which an OTC IRS FCM Client is a party, the relevant OTC IRS FCM Clearing Member acting on behalf of such OTC IRS FCM Client) and the relevant Basic Clearing Member(s) (or the Clearing Agent(s) acting on behalf of the relevant Basic Clearing Member(s)) in writing (including by fax or e-mail) provided that ~~none of the two~~ the CCP Transaction(s) created upon novation of the Original OTC Transaction ~~was/were not~~ subject to (i) any netting or accumulation pursuant to Part 2 Number 2.6 or Part 4 Number 4.8 or (ii) a transfer pursuant to Part 2 Number 2.7 or (iii) trade amendment pursuant to Part 2 Number 2.7 and, (ii) if a Swap Transaction was created upon novation of the Original OTC Transaction, the relevant FCM Clearing Member(s), provided that such Swap Transaction was not subject to any netting, accumulation, transfer or trade amendment pursuant to the FCM Regulations.

[...]

1.2.4 Special Provisions with respect to the Conclusion of CCP Transactions

- (1) If (A) in the case of OTC Interest Rate Derivatives Transactions, the Clearing Member or, if applicable, the Basic Clearing Member holds an Interest Rate Derivatives Clearing License pursuant to Part 2 Number 2.1.3 or (B) in the case of OTC FX Transactions, the Clearing Member holds an OTC Currency Products Clearing License, the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ATS, and (ii) confirms that it has appointed the relevant ATS to receive trade communications and generate and send trade communications to Eurex Clearing AG for the Clearing

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Member or, if applicable, the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member). Eurex Clearing AG may rely on such trade communications.

~~(2) By entering into the Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9, the OTC IRS FCM Client (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ATS and (ii) confirms that it has appointed the relevant ATS to receive trade communications and to generate and send trade communications to Eurex Clearing AG on its behalf. Eurex Clearing AG may rely on such trade communications.~~

(32) The Clearing Member or the Basic Clearing Member, as the case may be, agrees that upon acceptance of an Original OTC Transaction for inclusion in the Clearing by Eurex Clearing AG based on a Trade Record of an Original OTC Transaction (including, as the case may be, a Credit Limit Token) submitted by the ATS to Eurex Clearing AG on behalf of the Clearing Member or the Basic Clearing Member pursuant to Number 1.2.1, a Transaction will be concluded between Eurex Clearing AG and the Clearing Member on terms based on the Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.2.2 Paragraph (2) of the General Clearing Provisions or between Eurex Clearing AG and the Basic Clearing Member on terms based on the Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.3 Paragraph (2) of the Basic Clearing Member Provisions. The Clearing Member or the Basic Clearing Member, as the case may be, agrees to be legally bound by each such Transaction and acknowledges that no further specific agreement to be legally bound shall be required to be given by the Clearing Member or the Basic Clearing Member, as the case may be, at the time of the conclusion of such Transaction.

Each Clearing Member, Basic Clearing Member and Registered Customer acknowledges that if a Swap Transaction shall result from the novation of the Original OTC Transaction, Eurex Clearing AG will determine its acceptance of the Original OTC Transaction for inclusion in the Clearing for the relevant Clearing Member or Basic Clearing Member in conjunction with its determination whether to accept the Original OTC Transaction for inclusion in the clearing for the relevant FCM Clearing Member pursuant to the FCM Regulations.

~~(4) The OTC IRS FCM Client agrees that upon acceptance of an Original OTC Transaction for inclusion in the Clearing by Eurex Clearing AG based on a Trade Record of an Original OTC Transaction submitted by the ATS to Eurex Clearing AG on behalf of such OTC IRS FCM Client (or the OTC IRS FCM Clearing Member acting for the account of such OTC IRS FCM Client) pursuant to Number 1.2.1, a Transaction will be concluded between Eurex Clearing AG and the OTC IRS FCM Client on terms based on the Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.4 of the U.S. Clearing Model Provisions. The OTC IRS FCM Client agrees to be legally bound by each such Transaction and acknowledges that no further specific agreement to be legally bound shall be required to be given by the OTC IRS FCM Client at the time of the conclusion of such transaction.~~

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(53) The Clearing Member, ~~the OTC IRS FCM Client~~ and the Basic Clearing Member should check without undue delay all notices and reports received from Eurex Clearing AG with regard to the correct conclusion of Transactions and inform Eurex Clearing AG of any mistakes, errors, omissions, deviations or irregularities in such notice or report in accordance with Chapter I Part 1 Number 4.6.

~~(6) Eurex Clearing AG does not assume any liability vis-à-vis the OTC IRS FCM Clearing Member or the OTC IRS FCM Client in respect of inaccuracies in the Trade Record submitted pursuant to Paragraph (4) above, or if the Trade Record has not been initiated by the OTC IRS FCM Client.~~

(74) The Clearing Member, ~~and~~ the Basic Clearing Member ~~and the OTC IRS FCM Clearing Member~~ acknowledge that Eurex Clearing AG does not assume any liability vis-à-vis them

[...]

[...]

1.2.6 Daily Novation Process

[...]

(2) Original OTC Transactions that are to be included in the Clearing by way of Daily Novation may be submitted to Eurex Clearing AG at any point in time. On each Business Day between 8:00 a.m. (Frankfurt am Main time) and 9:59 p.m. (Frankfurt am Main time) Eurex Clearing AG processes and accepts or rejects Original OTC Transactions submitted to it for Clearing as quickly as technologically practicable, using automated systems. Original OTC Transactions which are submitted to Eurex Clearing AG at any other time will be processed and accepted or rejected at the beginning of the next Business Day. ~~However,~~ Original OTC Transactions submitted to Eurex Clearing AG at 10:00 p.m. (Frankfurt am Main time) may be processed and accepted or rejected on that or the next Business Day.

[...]

(3) As a result of the novation process, all Original OTC Transactions which fulfil all novation criteria will be accepted for Clearing and all Original OTC Transactions which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets in time according to Part 1 Number 1.2.3 Paragraph (1) Clause ~~98~~, will be rejected.

(4) If an Original OTC Transaction has been accepted for Clearing, an OTC Trade Novation Report will be made available to the relevant Clearing Member ~~(in respect of an OTC IRS FCM Client Transaction, to the relevant OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client)~~ or to the relevant Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system. The last OTC Trade Novation Report will be made available at or around 11:00 p.m. (Frankfurt am Main

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time). Such last OTC Trade Novation Report summarizes all novations of the respective Business Day.

[...]

- (6) A Clearing Member, a Registered Customer, ~~an OTC IRS FCM Client~~ or a Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) may subsequently cancel the submission with respect to any CCP Transaction intended to be transferred pursuant to Part 2 Number 2.7 or to be terminated pursuant to Part 2 Number 2.8 and/or Part 4 Number 4.10, provided that (i) the cancellation request is entered by the Clearing Member ~~(and, in respect of an OTC IRS FCM Client Transaction, by the relevant OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client)~~, the Registered Customer, ~~the OTC IRS FCM Client~~ or the Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) into the system of, and received by, Eurex Clearing AG, and (ii) each of, the responsible Clearing Member, in case the request is entered by a Registered Customer, ~~or the relevant OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client)~~, in case the request is entered on behalf of its ~~OTC IRS FCM Client~~, and the other Clearing Member, ~~or~~ Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) or FCM Clearing Member that is ~~a party to the relevant transaction involved in such transfer or termination~~ has given ~~their~~ its prior consent in the system of Eurex Clearing AG to such cancellation.

1.2.7 Specific Provisions with respect to the Novation of CCP Transactions resulting out of Post-Trade Events

- (1) Number 1.2 shall apply *mutatis mutandis* to the novation in connection with post-trade events pursuant to Part 2 Number 2.5 to 2.8 (in addition to the requirements set out in Part 2 Number 2.5 to 2.8, respectively) or pursuant to Part 4 Number 4.8 (in addition to the requirements set out therein), in each case (i) if an CCP Transaction shall be subject to such novation or shall result from such novation and (ii) unless explicitly stated otherwise.
- (2) If a post-trade event pursuant to Part 2 Number 2.7 or pursuant to Part 4 Number 4.8 would lead to a novation resulting in an ~~OTC~~ CCP Transaction, and all novation criteria are fulfilled except for the requirement to provide sufficient Eligible Margin Assets, the submission for novation will be pending and will remain included in the daily novation process until the end of the relevant Business Day. At the end of each Business Day, all such pending submissions for novations which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets, will be rejected. For the avoidance of doubt, this shall mean that the relevant ~~OTC~~ CCP Transactions existing prior to such intended post-trade event will remain in place and no novation pursuant to the relevant post-trade event will take place.

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1.3 Transaction Accounts

- (1) With regard to the accounts of the Clearing Member or, ~~as relevant, the OTC-IRS FCM-Client~~ or the Basic Clearing Member Chapter I Part 1 Number 4 together with Part 2 Subpart B Number 2, Subpart C Number 2, Part 3 Subpart A Number 4, ~~or Part 4 Number 3.1 or Part 5 Number 3~~, or, in the case of a Basic Clearing Member, together with Chapter I Part 6 Number 5 apply in addition to the following provisions.
- (2) In deviation from Chapter I Part 1 Number 4 together with Part 2 Subpart B Number 2, Subpart C Number 2, Part 3 Subpart A Number 4, Part 4 Number 3.1, ~~Part 5 Number 3~~ and Part 6 Number 5, Eurex Clearing AG opens and maintains with respect to each Clearing Member ~~(other than an OTC-IRS FCM-Clearing Member)~~ the following transaction accounts in which the Transactions of the Clearing Member to be cleared have to be booked:
 - (a) with respect to UDC-Related Transactions and SC-Related Transactions: upon request, additional Customer Accounts; and
 - (b) with respect to RC-Related Transactions: upon request, additional Indirect Client Accounts.

1.4 Tax Gross-up Obligations of Clearing Members, ~~OTC-IRS FCM-Client~~ and Basic Clearing Members

If a Clearing Member, ~~an OTC-IRS FCM-Client~~ or a Basic Clearing Member is obliged by law to deduct or withhold a tax amount or other fiscal charge from a payment which it has to make, it shall pay to Eurex Clearing AG such additional amounts as are necessary to ensure that Eurex Clearing AG receives the full amount to which it would have been entitled at the time of such payment if no deduction or withholding were required. If a Clearing Member, ~~an OTC-IRS FCM-Client~~ or a Basic Clearing Member is obliged to pay such additional amounts pursuant to Sentence 1, the Clearing Member, ~~OTC-IRS FCM-Client~~ or Basic Clearing Member shall not be entitled to terminate a CCP Transaction due to such obligation.

[...]

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Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

2.1.1 Applicable General Provisions

[...]

2.1.2 Consultation of Clearing Members and Basic Clearing Members/Committees

(1) On the basis of the relevant Transaction Type specific novation criteria set out in Number 2.1.5.1 below, Eurex Clearing AG determines the Product Types of OTC Interest Rate Derivative Transactions to be included in the Clearing of Eurex Clearing AG and publishes the relevant Product Types on its website (www.eurexclearing.com).

(2) Where a Trade Record containing an OTC Interest Rate Derivative Transaction which falls within a Product Type recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Numbers 2.2 to 2.4 below, such as e.g. optional or mandatory early termination provisions, such additional terms will not be included in the OTC Trade Novation Report and will not become part of the terms applicable to a CCP Transaction or a CM-RC Transaction, if applicable. Eurex Clearing AG will not store or record any data relating to such additional provisions.

~~(3) Eurex Clearing AG will determine those Product Types of OTC Interest Rate Derivative Transactions that may be cleared by OTC IRS FCM Clearing Members (acting for the account of OTC IRS FCM Clients) pursuant the U.S. Clearing Model Provisions (“FCM OTC Interest Rate Derivatives Transactions”) and publish the relevant Product Types on its website (www.eurexclearing.com).~~

~~— The determination will be based upon a review of at least the following factors: (i) trading volume; (ii) liquidity; (iii) availability of reliable prices; (iv) ability of Eurex Clearing AG and the relevant OTC IRS FCM Clearing Members to gain access to the relevant market for purposes of creating, liquidating, transferring, auctioning, and/or allocating positions; (v) Eurex Clearing AG’s capability to measure risk for setting appropriate margin requirements; and (vi) any unusual risk characteristics of a product.~~

~~— All Transactions that may be cleared by OTC IRS FCM Clearing Members must be within a product class for which Eurex Clearing AG has been found eligible to offer clearing services by the CFTC.~~

~~— OTC IRS FCM Clearing Members may not clear any OTC Interest Rate Derivative Transactions which are not determined to be FCM OTC Interest Rate Derivatives Transactions pursuant to this Number 2.1.2 Paragraph (3).~~

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2.1.3 License for the Clearing of OTC Interest Rate Derivatives Transactions

The OTC Clearing License granted for the Clearing of OTC Interest Rate Derivative Transactions (the “**Interest Rate Derivatives Clearing License**”) entitles

- (i) the relevant General Clearing Member to clear OTC Interest Rate Derivative Transactions that are Own Transactions, RC-Related Transactions, UDC-Related Transactions, ~~or SC-Related Transactions or OTC IRS FCM Client Transactions (in respect of which the Clearing Member act as an OTC IRS FCM Clearing Member)~~ under the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, ~~or~~ the ICM for Specified Clients Provisions ~~or the U.S. Clearing Model Provisions~~, as applicable,

[...]

~~Without prejudice to Number 2.1.2 Paragraph (3),~~ ~~†~~ The relevant Clearing Member or Basic Clearing Member may elect that the Interest Rate Derivatives Clearing License shall be restricted to the Clearing of OTC Interest Rate Derivative Transactions in only some or one of the currencies referred to in Number 2.1.3.1.

The owner-holder of an Interest Rate Derivatives Clearing License may additionally clear zero coupon inflation swaps (“**ZCIS**”) if the following requirements are met:

[...]

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

[...]

- (k) if the Interest Rate Derivatives Clearing ~~License~~ License of the relevant Clearing Member or Basic Clearing Member covers OTC Interest Rate Derivative Transactions in EUR, a bank cash account for EUR; and

[...]

2.1.4 CTM Interest Rate Derivative Transactions and STM Interest Rate Derivative Transactions

- (1) A Clearing Member may, by way of an IRS STM Election, elect that all (but not some only) of its STM Eligible Interest Rate Derivative Transactions shall be cleared as STM Interest Rate Derivative Transactions. In the case of Existing STM Eligible Interest Rate Derivative Transactions, the CTM Interest Rate Derivative Transactions shall be established as STM Interest Rate Derivative Transactions on the IRS STM Effective Date pursuant to Paragraph (2). In the case of Original STM Eligible Interest Rate Derivative Transactions, the OTC Interest Rate Derivative Transactions created by way of novation pursuant to Part 1 Number 1.2.1 shall be converted into STM Interest Rate Derivative Transactions upon such novation pursuant to Paragraph (3) below. In the case of Transfer STM Eligible Interest Rate Derivative Transactions, the OTC Interest Rate Derivative Transactions created by

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way of novation pursuant to Number 2.7 in connection with Chapter I Part 1 Number 1.2.2 Paragraph (5)(c) shall be converted into STM Interest Rate Derivative Transactions upon such novation pursuant to Paragraph (4) below. With respect to OTC IRS U.S. Clearing Members ~~and OTC IRS FCM Clients~~, all OTC Interest Rate Derivative Transactions can only be cleared as STM Interest Rate Derivative Transactions.

[...]

2.1.5 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

[...]

2.1.5.1 Transaction Type Specific Novation Criteria

[...]

(2) Currencies

The currency must be (i) EUR, USD, GBP, CHF, DKK, SEK, NOK, PLN or JPY for IRS and FRA, (ii) EUR, USD, GBP, CHF or JPY for OIS or (iii) EUR or GBP for ZCIS and the relevant currency must be covered by the Interest Rate Derivatives Clearing License of the relevant Clearing Member or the relevant Basic Clearing Member(s) (and, if the corresponding transaction to result from the novation is a Swap Transaction, the FCM IRS License of the relevant FCM Clearing Member);

The payments of both parties must be made in the same currency and the floating amounts must be denominated in the same currency as the notional amount;

(3) Payment types

[...]

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

(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.

In case of forward starting transactions, additional payments are also allowed before the transaction start date.

(4) Maximum remaining term

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

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- (i) in case of IRS, no more than 50 years and 10 Business Days for Original OTC Transactions in EUR, USD and GBP and no more than 30 years and 10 Business Days for Original OTC Transactions in CHF, DKK, SEK, NOK and JPY and no more than 10 years and 10 Business Days for Original OTC Transactions in PLN,
- (ii) in case of OIS, no more than 30 years and 10 Business Days for Original OTC Transactions in EUR, USD, GBP, CHF and JPY,
- (iii) in case of FRA, no more than 36 months and 10 Business Days for Original OTC Transactions in EUR, USD, GBP, CHF, SEK and JPY and no more than 24 months and 10 Business Days for Original OTC Transactions in DKK, NOK and PLN, and
- (iv) ~~and (iv)~~ in case of ZCIS, no more than 30 years and 10 Business Days for transactions in EUR (indexes HICPxT and FRCPI) and no more than 50 years and 10 Business Days for transactions in GBP (index UK-RPI).

[...]

(7) Shortened or extended calculation period (stub period)

In case of IRS and OIS, any non-standard shortened or extended calculation period ("**Interest Rate Stub Period**"), if any, must meet the following criteria:

- (a) a short or long first calculation period ("**Interest Rate Front Stub Period**") and a short or long last calculation period ("**Interest Rate Back Stub Period**") may be specified for IRS and OIS, provided that:
 - (aa) For floating rate versus floating rate basis swaps and for OIS, the combination of both-an Interest Rate Front Stub Period and an Interest Rate Back Stub Period on a leg is are-not eligible. If both legs have an Interest Rate Stub Period, these have to be of the same type, i.e. both Interest Rate Front Stub Periods or both Interest Rate Back Stub Periods;
 - (bb) For fixed rate versus floating rate IRS, up to two Interest Rate Stub Periods (Interest Rate Front Stub Periods and/or Interest Rate Back Stub Periods) per leg are eligible, whereby the following conditions have to be fulfilled: (i) If both legs have an Interest Rate Stub Period, these have to be of the same type, i.e. both Interest Rate Front Stub Periods or both Interest Rate ~~both~~-Back Stub Periods. (ii) If a leg has both an Interest Rate Front Stub Period and an Interest Rate Back Stub Period, then the other leg must have also both an Interest Rate Front Stub Period and an Interest Rate Back Stub Period.
 - (cc) Interest Rate Stub Periods must not be specified for OTC Interest Rate Derivative Transactions with (i) payments of floating amounts which are calculated on a compounding basis (except OIS) as set out in Paragraph 17 below, or (ii) zero coupon payments.

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- (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 or GBP. For floating rate payments under IRS in CHF, USD, DKK, NOK, PLN and JPY, 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.

[...]

2.1.5.2 Documentation of Original OTC Transactions

- (1) In the Trade Record, one of the following master agreements may be specified as the contractual basis of an Original OTC Transaction:
- (i) the 1992 or 2002 ISDA Master Agreement,
 - (ii) the German Master Agreement for Financial Derivatives Transactions (*Rahmenvertrag für Finanztermingeschäfte*, the “**DRV**”), or
 - (iii) the AFB/FBF Master Agreement.
- (2) [...]
- (3) By entering into the relevant Clearing Agreement, the Clearing Member and the Registered Customer, ~~the OTC IRS FCM Client~~ or the Basic Clearing Member, respectively, declare(s) vis-à-vis Eurex Clearing AG that it has received a copy of the 2006 ISDA Definitions, as published by ISDA, and any supplements issued thereto as of the date of such Clearing Agreement.

The Clearing Member, the Registered Customer, ~~the OTC IRS FCM Client~~ and the Basic Clearing Member further agree to the passing on to ISDA of their company name and their company address in the context of the delivery to it of the documents referred to in the foregoing paragraph.

2.1.5.3 Bulk Backloading of Original OTC Transactions

- (1) An Original OTC Transaction that has a Trade Date which falls more than ten Business Days prior to the date of submission to Eurex Clearing AG will be considered as a backloaded trade (“**Bulk Backloaded Original OTC Transaction**”).

[...]

- (3) Bulk Backloaded Original OTC Transactions that are to be included in the Clearing by way of novation may be submitted to Eurex Clearing AG at any point in time. Bulk Backloaded Original OTC Transactions which are submitted prior to 3:00 p.m.

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(Frankfurt am Main time) on a Business Day and which fulfil all applicable novation criteria will be included in the novation process on such Business Day.

- (4) The novation process for OTC Bulk Backloaded Original Transactions which are submitted after 3:00 p.m. (Frankfurt am Main time) on a Business Day will be carried out on the next Business Day.
- (5) At 3:00 p.m. and 5:00 p.m. (each Frankfurt am Main time) on each Business Day Eurex Clearing AG will make available to the Clearing Member ~~(in the case of an OTC IRS FCM Client Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client)~~ and Registered Customer or the Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) a preliminary report indicating the Bulk Backloading Original OTC Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 2.1.5.1 and the Margin Requirement as well as any shortage in actually delivered Eligible Margin Assets.
- (6) A Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfils all novation criteria shall be novated on that Business Day. The novation will become effective when the respective OTC Trade Novation Report will be made available intraday at around 5:30 p.m. (Frankfurt am Main time) and at the end of a Business Day at or around 11:00 p.m. (Frankfurt am Main time).
- (7) For Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfil all novation criteria except for the ~~provision requirement to provide sufficient of the~~ Eligible Margin Assets necessary to cover the relevant Mmargin Rrequirement, Eurex Clearing AG will debit the shortfall amount set forth in the OTC Margin Call Report produced and made available at 10:30 p.m. (Frankfurt am Main time) in the agreed Clearing Currency from the relevant Clearing Member Cash Account, relevant OTC IRS U.S. Clearing Member Cash Account or Basic Clearing Member Cash Account, as relevant, in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1. Such payment made by direct debit shall constitute cover in respect of the Margin to which the Mmargin Rrequirement referred to in the foregoing sentence relates and accordingly will constitute (i) Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) Margin delivered by the Clearing Member pursuant to the ICM for Specified Clients Provisions, ~~(iv) OTC IRS FCM Client Margin delivered by the OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions~~ or (iv) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions. Eurex Clearing AG will make available an OTC Trade Novation Report on the Business Day following the day of submission at or around 9:30 a.m. (Frankfurt am Main time) to the Clearing Member ~~(in the case of an OTC IRS FCM Client Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant~~

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~~OTC IRS FCM Client~~) and the Registered Customer or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member).

- (8) A Clearing Member ~~(in the case of an OTC IRS FCM Client Transaction, the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client)~~, Registered Customer or a Basic Clearing Member (or a Clearing Agent acting on behalf of the Basic Clearing Member) may subsequently cancel the submission with respect to any Bulk Backloading Original OTC Transaction submitted to Eurex Clearing AG via an ATS and intended to be novated by the latest by 5:00 p.m. (Frankfurt am Main time) on a Business Day, provided that
- (i) the cancellation request is entered by the Clearing Member ~~(or OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client)~~, the Registered Customer or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) into the system of, and received by, Eurex Clearing AG, and
 - (ii) each, the responsible Clearing Member, in case the request is entered by a Registered Customer, ~~or the relevant OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client), in case the request is entered on behalf of its OTC IRS FCM Client~~, and the other Clearing Member, ~~or the other Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member)~~ or the FCM Clearing Member that is a party to the relevant Transaction or Swap Transaction, respectively, ~~has~~ has given ~~their~~ its prior consent in the system of Eurex Clearing AG to such cancellation request.

[...]

2.1.7 Margin Requirements

[...]

- (3) The Variation Margin Requirement, or Basic Clearing Member Variation Margin Requirement (each as defined in Chapter I Part 2 Subpart A Number 5, Subpart B Number 6, Subpart C Number 7, Part 3 Subpart A Number 6, Part 4 Number 7 or Part 6 Number 8, as applicable), and/or any Redelivery Amount, as the case may be, for CCP Transactions that are OTC Interest Rate Derivative Transactions and CTM Interest Rate Derivative Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (Number 2.1.5) as follows: For each outstanding CCP Transaction concluded prior to the relevant Business Day, the relevant profit and loss amount shall be the difference between the daily evaluation prices of the CCP Transaction on the relevant Business Day and the previous Business Day. For CCP Transactions concluded on the relevant Business Day, the relevant profit and loss amount shall be the difference between zero and the daily evaluation price for such Business Day. Additionally, the Variation Margin, ~~the FCM Client Variation Margin~~ or the Basic Clearing Member Variation Margin includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the trade related

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cash flows (including coupon payments and transaction fees) on the current Business Day are added and the trade related cash flows (including coupon payments and transaction fees) on the next Business Day (second next Business Day for DKK, NOK, SEK and JPY) of the respective currency are subtracted.

(4) [...]

-(5) The rules on set-off of cash claims pursuant to Chapter I Part 1 Number 1.3.1 Paragraph (1) (a) Sentence 1 and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa) ~~(subject to the limitations set out in Chapter I Part 5 Number 4)~~ apply.

2.1.8 Default Fund

Contributions to the Default Fund are made in accordance with Chapter I Part 1 Number 6 and, if applicable, Chapter I Part 3 Subpart A Number 15 and ~~Part 5 Number 7~~ of Chapter I Part 6 Number 9.

2.1.9 Calculation Agent

The Calculation Agent shall calculate the fixed and floating amounts (including the determination of the applicable floating rate/base rate) as well as any close-out amounts or cash settlement amounts that (a) are payable upon termination or novation of CCP Transactions and (b) are to be determined by the Calculation Agent pursuant to this Part 2. To the extent calculations, determinations or other actions have to be made or taken under the 2006 ISDA Definitions, Section 4.14 of the 2006 ISDA Definitions shall apply provided that any notices to be given by Eurex Clearing AG in its capacity as Calculation Agent will be made available by Eurex Clearing AG in its system for purposes of both CCP Transactions and CM-RC Transactions. For the avoidance of doubt, in its capacity as Calculation Agent, the liability of Eurex Clearing AG shall be restricted in accordance with the provisions set out in Chapter I Part 1 Number 14.1.2 ~~of the Clearing Conditions~~.

2.2 General product-related terms for OTC Interest Rate Derivative Transactions

The following general product-related terms shall apply to the OTC Interest Rate Derivative Transactions provided for in Number 2.3 and 2.4.

2.2.1 Payment Obligations

(1) The relevant Clearing Member, ~~OTC IRS FCM Clearing Member (for the account of the OTC IRS FCM Client)~~ or Basic Clearing Member (or its Clearing Agent acting for its account) and Eurex Clearing AG shall pay either Fixed Amounts or Floating Amounts and, if applicable, any initial amount payable under the relevant CCP Transaction, as provided for in Number 2.3 and 2.4.

[...]

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- (5) The following additional primary payment obligations apply under STM Interest Rate Derivative Transactions:

[...]

“**IRS STM Amount**” means, an amount which shall equal the profit or loss amount determined with respect to an outstanding STM Interest Rate Derivative Transaction on the relevant Business Day on the basis of the daily evaluation price (pursuant to Number 2.1.65) as follows: For STM Interest Rate Derivative Transactions concluded on the relevant Business Day, the relevant profit or loss amount shall be the difference between zero and the daily evaluation price for such Business Day. [...]

[...]

- (6) Eurex Clearing AG may discharge its payment obligations by way of set-off in accordance with Chapter I Part 1 Number 1.3.1 Paragraph (1) (a) and (f) and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa), (b) and (c) ~~(subject to the limitations set out in Chapter I Part 5 Number 4).~~

2.2.2 References to Market Standard OTC Interest Rate Derivatives Documentation

(1) [...]

- (4) Notwithstanding the fact that the Clearing Conditions (including Chapter VIII and the market standard documentation incorporated therein by reference) are governed by the laws of Germany, the terms and provisions of the 2006 ISDA Definitions shall be interpreted in accordance with international market practice for OTC Interest Rate Derivative Transactions and shall be given the same meaning as they would have in English or New York law-governed OTC interest rate derivative transactions entered into on the basis of documentation published by ISDA, provided, however, that in the case of any conflict or inconsistency between the English law governed version and the New York law-governed version, the English law-governed version shall prevail.

2.2.3 Calculation of Fixed Amount

[...]

- (b) if an amount is not specified in the OTC Trade Novation Report as the Fixed Amount and if such amount is not otherwise determined as provided in the OTC Trade Event Report, an amount calculated on the basis of the following formula for that Payment Date or for the related Calculation Period:

Fixed Amount = Notional Amount x Fixed Rate ~~x~~ Fixed Rate Day Count Fraction.

or in case of ZCIS as:

Fixed Amount = Notional Amount x ((1 + Fixed Rate)^{Term} - 1)

[...]

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2.2.4 Calculation of Floating Amount

- (1) Eurex Clearing AG will calculate the floating amount payable by a party on a Payment Date (the “**Floating Amount**”) as follows:
- (a) if neither Compounding nor Flat Compounding is applicable, an amount calculated for that Payment Date or the related Calculation Period on the basis of the following formula:

$$\text{Floating Amount} = \text{Notional Amount} \times \text{Floating Rate (+/- Spread)} \times \text{Floating Rate Day Count Fraction.}$$

[...]

2.2.5 Rates for calculating the Floating Amount

- (1) The applicable Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) applied by Eurex Clearing AG in calculating Floating Amounts will be set out in the OTC Trade Novation Report on the basis of the floating rate index specified in the Trade Record transmitted to Eurex Clearing AG via the ATS whereby:

[...]

- (c) “**USD-LIBOR-BBA**” means that the rate for a Reset Date will be the rate for deposits in USD for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01_Page as of 11:00 a.m., London time.
- (d) “**CHF-LIBOR-BBA**” means that the rate for a Reset Date will be the rate for deposits in Swiss Francs for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01_Page as of 11:00 a.m., London time.

[...]

- (4) If “**Linear Interpolation**” is specified as applicable with respect to a Calculation Period or Compounding Period, the Relevant Rate for a Reset Date shall be determined in accordance with Section 8.3 of the 2006 ISDA Definitions which shall apply to both ISDA Interest Rate Derivative Transactions and DRV Interest Rate Derivative Transactions, whereby the Calculation Agent will make such determination in accordance with market practice based on the **Best Practice Statement Linear Interpolation** published by ISDA on 19 December 2009.

[...]

2.2.6 Day Count Conventions

[...]

- (6) Act/365], which shall have the meaning given to “**Act/Act (ISDA)**” in the 2006 ISDA Definitions and, for DRV Interest Rate Derivative Transactions, in Number 2.4

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Paragraph (6) (c) below and which, for the avoidance of doubt, will also be specified in the OTC Trade Novation Report if in the Trade Record transmitted via the ATS “Act/365.ISDA” and “2000 ISDA” are selected.

- (7) ActB/ActB, which shall have the meaning given to “Act/Act (ICMA)” in the 2006 ISDA Definitions and, for DRV Interest Rate Derivative Transactions, in Number 2.4 Paragraph (6) (d) below and which, for the avoidance of doubt, will also be specified in the OTC Trade Novation Report if in the Trade Record transmitted via the ATS “Act/Act.ISMA” and “2000 ISDA” are selected.
- (8) 1/1, which is the standard day count convention for ZCIS and which shall have the meaning given to “1/1” in the 2006 ISDA Definitions.

2.2.7 OIS Rate Calculation

The applicable Floating Rate for overnight interest rate swaps (OIS) pursuant to Number 2.3.4 or 2.4.2 below will be calculated in accordance with the following paragraphs of Section 7.1 of the 2006 ISDA Definitions:

“**EUR-EONIA-OIS-COMPOUND**” means that the rate for a Reset Date, calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day Eurozone interbank euro money market).

“**EURO-EONIA-OIS-COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest one ten-thousandth of a percentage point (0.0001 per cent):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{EONIA_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

—where:

“**d₀**”, for any Calculation Period, is the number of TARGET Settlement Days in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant TARGET Settlement Days in chronological order from, and including, the first TARGET Settlement Day in the relevant Calculation Period;

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“**EONIA_i**”; for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day;

“**n_i**”, is the number of calendar days in the relevant Calculation Period on which the rate is EONIA_i; and

“**d**” is the number of calendar days in the relevant Calculation Period.

“**GBP-SONIA-COMPOUND**” means that the rate for a Reset Date calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Sterling daily overnight reference rate).

“**GBP-SONIA-COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, is necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest one ten-thousandth of a percentage point (0.0001 per cent):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d₀**”, for any Calculation Period, is the number of London Banking Days in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Calculation Period;

“**SONIA_i**”; for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate as provided by the administrator of SONIA to, and published by, authorized distributors of the rate as of 09:00 a.m. London time on the London Banking Day immediately following that day”**i**”.

“**n_i**”, is the number of calendar days in the relevant Calculation Period on which the rate is SONIA_i; and

“**d**” is the number of calendar days in the relevant Calculation Period.

OTC Interest Rate Derivative Transactions on “**GBP-WMBA-SONIA-COMPOUND**” are automatically converted to “**GBP-SONIA-COMPOUND**” when novated for clearing.

“**CHF-SARON-OIS-COMPOUND**” means that the rate for a Reset Date, calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Swiss Franc Repo daily overnight reference rate).

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“**CHF-SARON-OIS-COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the Supplement number 51 to the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest on ten-thousandth of a percentage point (0.0001 per cent^{JW1}):

$$\left[\prod_{i=1}^{d} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

2.3 Terms for ISDA Interest Rate Derivative Transactions

[...]

2.3.1 General terms for ISDA Interest Rate Swaps or Forward Rate Agreements

In the case of ISDA Interest Rate Derivative Transactions that are interest rate swaps (each an “**ISDA Interest Rate Swap**”) or forward rate agreements (each an “**ISDA Forward Rate Agreement**”), the 2006 ISDA Definitions and, on their basis, the following general terms shall apply:

- (a) Notional Amount as specified in the OTC Trade Novation Report under “**calculation period amount**” (in the case of a **swap transaction** involving one currency only), which, in case of variable Notional Amounts, can be set out in a notional schedule

[...]

2.3.2 Terms for ISDA Fixed Rate-Floating Rate Swaps

[...]

2.3.3 Terms for ISDA Floating Rate-Floating Rate Swaps

In addition to the general provisions for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant OTC Trade Novation Report, shall apply to ISDA Interest Rate Swaps that are floating rate-floating rate swaps (“**basis**” swaps):

- (a) Floating Rate Payer 1:

[...]

- (b) Floating Rate Payer 2:

[...]

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2.4 Terms for DRV Interest Rate Derivative Transactions

[...]

[...]

- (7) **“Calculation Period”** (*Berechnungszeitraum*) means the period from, and including, the Effective Date (*Anfangsdatum*) or a Payment Date (*Zahlungstermin*) to, but excluding, the next following Payment Date or the Termination Date (*Enddatum*). **“Payment Date”** means a day on which a payment ~~has~~ actually is to be made after, if necessary, an adjustment was made pursuant to Paragraph (1) above. **“Due Date”** means the scheduled payment date without such an adjustment.

- (8) The terms and related definitions of DRV Interest Rate Derivative Transactions shall be interpreted in accordance with international market practice for interest rate derivative transactions and shall be given the same meaning as they would have in German law-governed interest rate derivative transactions entered into on the basis of documentation published by Association of German Banks (*Bundesverband deutscher Banken e.V.*).

2.4.1 General terms for DRV Interest Rate Swaps

[...]

2.4.2 Terms for Fixed Rate-Floating Rate DRV Interest Rate Swaps

[...]

2.4.3 Terms for Floating Rate-Floating Rate DRV Interest Rate Swaps

In addition to the general terms for DRV Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant OTC Trade Novation Report, shall apply to floating rate-floating rate swaps (**“basis”** swaps):

- (a) Floating rate payer 1 (*Zahler der variablen Beträge 1*):

[...]

- (b) Floating rate payer 2 (*Zahler der variablen Beträge 2*):

[...]

2.4.4 Terms for DRV Forward Rate-Agreements

[...]

2.5 Interest Rate Derivatives Multilateral Compression

- (1) Eurex Clearing AG may from time to time agree with one or more Clearing Members or FCM Clearing Members on the termination of CCP Transactions and/or Swap Transactions that are OTC Interest Rate Derivative Transactions or Interest Rate

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Derivative Transactions (as defined in Chapter I Number 1.1.5 of the FCM Regulations) and their subsequent replacement with other CCP Transactions and/or Interest Rate Derivative Transactions, respectively, whose combined notional value is less than that of the terminated CCP Transactions (a “**Interest Rate Derivatives Multilateral Compression**”). Interest Rate Derivatives Multilateral Compression with respect to a Clearing Member may only include CCP Transactions that are Own Transactions, regardless of whether a-the relevant Clearing Member has made an IRS STM Election.

[...]

2.5.1 Interest Rate Derivatives Compression Run

- (1) The process leading to an Interest Rate Derivatives Multilateral Compression (an “**Interest Rate Derivatives Compression Run**”) is operated by a third party compression services provider appointed by Eurex Clearing AG (an “**Interest Rate Derivatives CSP**”) and carried out on the basis of documentation as agreed between Eurex Clearing AG, the relevant Interest Rate Derivatives CSP and the Clearing Members and FCM Clearing Members participating in the Interest Rate Derivatives Compression Run (the “**Interest Rate Derivatives Compression Documentation**”).
- (2) Participation by a Clearing Member in an Interest Rate Derivatives Compression Run presupposes that the Clearing Member:
 - (a) is a party to the Interest Rate Derivatives Compression Documentation up to and including the Interest Rate Derivatives Compression Time;
 - (b) is eligible to participate in the Interest Rate Derivatives Compression Run according to the requirements determined by Eurex Clearing AG and those set out in the Interest Rate Derivatives Compression Documentation; and
- (3) In relation to each Interest Rate Derivatives Compression Run, Eurex Clearing AG will instruct the Interest Rate Derivatives CSP according to the Interest Rate Derivatives Compression Documentation to:

[...]
- (4) Eurex Clearing AG reserves the right to determine in its sole discretion whether CCP Transactions proposed for inclusion in an Interest Rate Derivatives Compression Run may be so included.

[...]

- (6) In order to facilitate the Interest Rate Derivatives Compression Run, Eurex Clearing AG may lock CCP Transactions which are included in an Interest Rate Derivatives Compression Run for such processing as described in Numbers 2.6 -to 2.8 (Trade

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Netting and Accumulation, Transfer of CCP Transactions and Account Transfer and Termination).

[...]

2.5.2 Acceptance of Interest Rate Derivatives Compression Proposal

- (1) Interest Rate Derivatives Multilateral Compression shall take place in accordance with the terms of an Interest Rate Derivatives Compression Proposal which has been accepted by all participating Clearing Members and FCM Clearing Members in the manner and by the time specified in the Interest Rate Derivatives Compression Documentation. The Interest Rate Derivatives CSP's confirmation to Eurex Clearing AG that a Clearing Member has accepted the Interest Rate Derivatives Compression Proposal shall constitute a binding offer by such Clearing Member to Eurex Clearing AG for the novation of CCP Transactions as set out in the Interest Rate Derivatives Compression Proposal.
- (2) Subsequent to a Clearing Member's acceptance of an Interest Rate Derivatives Compression Proposal but prior to the Interest Rate Derivatives Compression Time, Eurex Clearing AG may require the Clearing Member to provide additional Margin in relation to the CCP Transactions that will result from the Interest Rate Derivatives Multilateral Compression. For such purpose, Part 1, Number 1.2.3 Paragraph (1) Clause 9-(10) applies *mutatis mutandis*, provided that instead of Original OTC Transactions and CCP Transactions the proposed set of terminating CCP Transactions and the proposed set of resulting CCP Transactions pursuant to Number 2.5 shall be relevant, and instead of the times indicated in Part 1 Number 1.2.3 Paragraph (1) Clause 9-(10) the times specified by Eurex Clearing AG shall be relevant. Eurex Clearing AG will require such Margin in addition to Margin required pursuant to Chapter I Part 1 Number 3.3, Part 2 Subpart A Number 4.2, Part 3 Subpart A Number 5.3, Part 4 Number 6.2 and this Chapter VIII Part 1 Number 1.2.3 Paragraph (1) Clause 90.
- (3) The acceptance of an Interest Rate Derivatives Compression Proposal by the participating Clearing Members and, if relevant, FCM Clearing Members shall not bind or require Eurex Clearing AG to carry out the Interest Rate Derivatives Multilateral Compression. At any time prior to the Interest Rate Derivatives Compression Time, Eurex Clearing AG may in its sole discretion decide to reject the Interest Rate Derivatives Compression Proposal and/or to end the Interest Rate Derivatives Compression Run. In particular, Eurex Clearing AG may reject an Interest Rate Derivatives Compression Proposal if:
 - (a) a Clearing Member or FCM Clearing Member which has accepted an Interest Rate Derivatives Compression Proposal is not eligible to participate in the Interest Rate Derivatives Compression Run;
 - (b) any CCP Transaction or Swap Transaction included in the Interest Rate Derivatives Compression Proposal as a terminating or resulting ~~t~~ransaction is not eligible for Multilateral Interest Rate Derivatives Compression or for

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inclusion in the Clearing under the Clearing Conditions or, as applicable, the clearing under the FCM Clearing Conditions;

- (c) any Clearing Member or FCM Clearing Member due to participate in the Interest Rate Derivatives Compression Run rejects the Interest Rate Derivatives Compression Proposal or does not provide the required Eligible Margin Assets;
or

[...]

2.6 Trade Netting and Accumulation

- (1) Eurex Clearing AG may agree with a Clearing Member ~~(including an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client, with respect to the relevant OTC IRS FCM Client Transactions)~~ or a Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) upon the mutual cancellation (“**netting**”) and the accumulation of CCP Transactions that are OTC Interest Rate Derivative Transactions provided that such CCP Transactions are part of the same Standard Agreement. In this case, the netting and accumulation shall be carried out on the basis of the following provisions agreed upon by Eurex Clearing AG and the Clearing Member ~~(including an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client)~~ or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member). Such agreement may be terminated by the Clearing Member ~~(including an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client)~~ or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) with the effect on the Business Day following the receipt of the termination notice by Eurex Clearing AG.

If (i) Eurex Clearing AG and a Clearing Member have agreed upon the netting and accumulation of CCP Transactions pursuant to this Number 2.6 and (ii) the relevant Clearing Member holds an OTC Currency Products Clearing License-License and fulfils the additional requirements set out in Part 4 Number 4.1.3, the netting and accumulation shall also be carried out with respect to OTC XCCY Transactions pursuant to Part 4 Number 4.8.

[...]

- (3) To the extent the CCP Transactions that are subject to netting or accumulation pursuant to Number 2.6.1 and 2.6.2 are UDC-Related Transactions or SC-Related Transactions, it is a matter of the relevant parties to agree, whether as a result of such netting or accumulation, any corresponding CM-Customer Transactions shall be subject to netting or accumulation. ~~To the extent the CCP Transactions that are subject to netting or accumulation pursuant to Number 2.6.1 and 2.6.2 are OTC IRS FCM Client Transactions, it is a matter of the relevant OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client to agree, whether as a result of such netting or accumulation, any corresponding arrangements between the OTC IRS~~

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~~FCM Clearing Member and the OTC IRS FCM Client shall be subject to netting or accumulation.~~

- (4) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the netting or accumulation instructions were given by the relevant Registered Customer, ~~OTC IRS FCM Client~~ or other Direct Client to the Clearing Member and whether a netting or accumulation of Client-Clearing-CM-RC-Transactions or CM-Customer Transactions is contractually possible or valid.

2.6.1 Inclusion of CCP Transactions in the Netting and Accumulation Process

- (1) All CCP Transactions that are OTC Interest Rate Derivative Transactions are eligible for netting provided that:
- (a) the relevant Interest Rate Trade Criteria are identical; and
 - (b) CCP Transactions booked on a Clearing Member Own Account may not be netted with CCP Transactions booked on a Client Transaction Account and vice versa; and
 - ~~(c) CCP Transactions booked on a Client Transaction Account may not be netted with CCP Transactions booked on another Client Transaction Account.~~

[...]

- (3) CCP Transaction will be netted and/or accumulated if the CCP Transactions have been designated for netting and/or accumulation, as the case may be, by the respective Clearing Member ~~(including an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client)~~ or by the respective Basic Clearing Member (or Clearing Agent acting on behalf of the relevant Basic Clearing Member) in the system of Eurex Clearing AG ("**Interest Rate Optional Netting**"). Such designation shall be submitted no later than by 10:00 p.m. (Frankfurt am Main time) on the relevant Business Day.
- (4) Instead of Interest Rate Optional Netting, ~~(i)~~ a Clearing Member or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) may select that all Own Transactions and, in case of a Clearing Member, separately from the Own Transactions, all RC-Related Transactions booked on the NCM/RC Own Account maintained with respect to a Registered Customer are netted or accumulated, as the case may be, at the end of each Business Day ~~and (ii) an OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client) may select that all OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement are netted or accumulated, as the case may be, at the end of each Business Day.~~

2.6.2 Netting and Accumulation Procedure

- (1) The CCP Transactions selected for netting shall be netted with each other to the maximum extent possible on each netting level ~~(and provided that CCP-OTC IRS~~

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~~FCM Client Transactions may only be netted with CCP-OTC IRS FCM Client Transactions that form part of the same OTC IRS FCM Client Standard Agreement).~~
Upon closing of the netting, all CCP Transactions existing before the accumulation/netting that were netted are cancelled.

The remaining CCP Transactions for which there is no counterposition with which they can be netted may be accumulated and novated to one or more CCP Transaction(s) of the same Product Type with the aggregate notional amount of the accumulated CCP Transactions ~~(and provided that CCP-OTC IRS FCM Client Transactions may only be accumulated with CCP-OTC IRS FCM Client Transactions that form part of the same OTC IRS FCM Client Standard Agreement).~~
The CCP Transactions existing before the accumulation that were accumulated shall be cancelled.

[...]

2.7 Transfer of CCP Transactions, Account Transfer and Trade Amendment

- (1) A CCP Transaction ~~(other than a CCP-OTC IRS FCM Client Transaction)~~ or a CM-RC Transaction, if applicable, may be transferred in accordance with Paragraphs (3) to (9) and Numbers 2.7.1 and 2.7.2 below, as applicable, or amended in accordance with Number 2.7.3. The transfer of a Swap Transaction is subject to the FCM Regulations, provided that if the requirements for a transfer of a Swap Transaction pursuant to the FCM Regulations are met and a Clearing Member or Basic Clearing Member acts as the transferee (as agreed between the relevant transferor FCM Clearing Member and the transferee Clearing Member or Basic Clearing Member (or the Clearing Agent acting on behalf of such Basic Clearing Member)), a CCP Transaction between Eurex Clearing AG and such Clearing Member or Basic Clearing Member will be created hereunder by way of novation upon economic terms identical to the terms of such Swap Transaction.
- (2) In addition, a Registered Customer may replace its Clearing Member under the Elementary Clearing Model Provisions or the Individual Clearing Model Provisions in accordance with Chapter I Part 1 Number 8.
- (3) The transfer of a CCP Transaction will be performed against payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.65). Furthermore, the relevant Clearing Member(s) or Basic Clearing Member(s) (or Clearing Agent(s) acting on behalf of the Basic Clearing Member(s) or FCM Clearing Member) may specify in the system of Eurex Clearing AG an additional amount payable by ~~a-the relevant other~~ Clearing Member, ~~or~~ Basic Clearing Member or FCM Clearing Member in connection with the transfer (in each case, as separately agreed between the relevant transferor and transferee). All amounts payable under this Paragraph (3) will be settled via Eurex Clearing AG.
- (4) Any novation through which a transfer pursuant to Number 2.7 is to be made shall take effect with respect to the relevant Clearing Members, Basic Clearing Members

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or Registered Customers involved in the transfer (either as a transferor or as a transferee) when a respective OTC Trade Daily Summary Report is made available to the relevant Clearing Members or Basic Clearing Members (or Clearing Agents acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system. The effectiveness of such novation vis-à-vis an FCM Clearing Member involved in such transfer is subject to the FCM Regulations.

[...]

~~(10) The provisions of Chapter I Part 5 on the replacement of an OTC IRS FCM Clearing Member by an OTC IRS FCM Client shall remain unaffected.~~

~~(10)~~ If the RC-Related Transaction in respect of the relevant Registered Customer is subject to a Clearing under the Elementary Clearing Model Provisions, the provisions of this Number 2.7 on the conclusion or creation of a CM-RC Transaction between the Clearing Member and the Registered Customer are subject to Chapter I Part 2 Subpart A Number 2.1.

2.7.1 **Transfer of a CCP Transaction to another Clearing Member, ~~or~~ Basic Clearing Member or FCM Clearing Member (Trade Transfer)**

(1) Upon request of a Clearing Member or Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) or a Registered Customer entered into the system of Eurex Clearing AG, a CCP Transaction ~~(other than a CCP-OTC IRS FCM Client Transaction)~~ may be transferred from a Clearing Member or Basic Clearing Member to another Clearing Member or Basic Clearing Member holding the required Interest Rate Derivatives Clearing License. If the CCP Transaction to be transferred is an RC-Related Transaction, the corresponding CM-RC Transaction, if applicable, will be transferred simultaneously. In the case of any Client Clearing CM-RC Transactions or UDC-Related Transactions or SC-Related Transactions, Number 2.7 Paragraphs (6) and (7) apply.

(2) Any transfer or partial transfer of a CCP Transaction and, if applicable, the corresponding CM-RC Transaction provided for in this Number 2.7.1 Paragraphs (1) and (2) may be effected pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) – (c) or (5) (e) and (f), as applicable.

(3) A Clearing Member or a Basic Clearing Member may with the consent of Eurex Clearing AG also transfer an OTC Interest Rate Derivative Transaction concluded with Eurex Clearing AG (for the purposes of this Number 2.7.1 Paragraph (3) an "Original Transaction") to an FCM Clearing Member upon a prior agreement with such FCM Clearing Member. Any transfer of an Original Transaction shall occur by way of novation as follows:

(a) a Swap Transaction between the FCM Clearing Member and Eurex Clearing AG shall be established by way of novation on terms identical to such Original Transaction, subject to and in accordance with the FCM Regulations; and

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(b) the parties to the relevant Original Transaction shall be released from their obligations to each other under such Original Transaction (except that any outstanding obligations relating to payments and deliveries that have become due, but have not been discharged on or before the date of novation shall continue to exist under the contractual provisions of the Original Transaction).

If the CCP Transaction to be transferred to an FCM Clearing Member is an RC-Related Transaction, Client Clearing CM-RC Transaction, UDC-Related Transaction or SC-Related Transaction, the relevant Clearing Member is obliged to obtain the required instruction from the relevant client before initiating any such transfer and the Clearing Member should agree on a bilateral basis that, as a result of such transfer, any such corresponding transaction shall be subject to a cancellation.

2.7.2 Account Management or Account Transfers

- (1) Clearing Members and Basic Clearing Members (or a Clearing Agent acting on behalf of the relevant Basic Clearing Member) may book CCP Transactions ~~(other than any CCP-OTC-IRS-FCM-Client Transactions)~~ to or from any of their transaction accounts in accordance with this Number 2.7.2. Any booking will take place either (i) by way of an account booking within the same Standard Agreement together with, if applicable, a transfer of the CM-RC Transaction, if applicable, to another Registered Customer of the relevant Clearing Member by way of novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (d) or (ii) by way of a transfer to another Standard Agreement by way of novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) – (c).
- (2) Such bookings may also be made with respect to part of a CCP Transaction except for IRS with a notional, fixed rate or floating rate spread schedule in which case only the entire CCP Transaction and corresponding CM-RC Transaction may be booked in accordance with Paragraph 1.

2.7.2.1 Account Management in case of Own Transactions, UDC-Related Transactions and SC-Related Transactions

Upon request of a Clearing Member ~~(other than an OTC-IRS-FCM Clearing Member)~~, Eurex Clearing AG may book (a) an Own Transaction from its Clearing Member Own Account pursuant to Chapter I Part 1 Number 4.2.1 to a NOSA Direct Client Account, SC Own Account or Indirect Client Account relating to an Indirect Client of a Specified Client or Undisclosed Direct Client pursuant to Chapter I Part 1 Number 4.2.1 (thereby becoming a UDC-Related Transaction or SC-Related Transaction) or (b) a UDC-Related Transaction or SC-Related Transaction from a NOSA Direct Client Account, SC Own Account or Indirect Client Account relating to an Indirect Client of a Specified Client or Undisclosed Direct Client pursuant to Chapter I Part 1 Number 4.2.1 to its Clearing Member Own Account pursuant to Chapter I Part 1 Number 4.2.1 (thereby becoming an Own Transaction).

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2.7.2.2 Account Transfer in case of a Registered Customer

[...]

2.7.3 Trade Amendment

A Clearing Member, Basic Clearing Member (or a Clearing Agent acting on behalf of the relevant Basic Clearing Member) or a Registered Customer may, by means of an entry in Eurex Clearing AG's system, split CCP Transactions ~~(other than CCP-OTC-IRS-FCM Client Transactions)~~ or CM-RC Transactions, if applicable, and assign new customer references to the new Transactions resulting from the trade split provided that such new Transactions are booked in the same account as the Transaction that existed before the trade split was made. As a result, new CCP Transactions or CM-RC Transactions, if applicable, will be created the aggregate nominal amount of which is equal to the nominal amount of the CCP Transaction or the CM-RC Transaction, if applicable, that was split.

[...]

2.7.4 Termination of Own Transactions, UDC-Related Transactions, SC-Related Transactions and RC-Related Transactions

A CCP Transaction constituting an Own Transaction, a UDC-Related Transaction, SC-Related Transaction or RC-Related Transaction of the Clearing Member may only be terminated (i) together with (x) a CCP Transaction between Eurex Clearing AG and another Clearing Member that was concluded as an Own Transaction, UDC-Related Transaction, SC-Related Transaction or RC-Related Transaction of such Clearing Member and which has ~~identical corresponding~~ terms or (y) a Swap Transaction between Eurex Clearing AG and an FCM Clearing Member that was concluded as an Own Transaction or an FCM Client Transaction (each as defined in the FCM Regulations) of such FCM Clearing Member and which has corresponding terms, (ii) against the payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.5) and (iii) provided that:

- (a) Eurex Clearing AG and both Clearing Members or the Clearing Member and the FCM Clearing Member (as applicable) have given their consent to such termination;
- (b) both Clearing Members or the Clearing Member and the FCM Clearing Member (as applicable) were a party to the Original OTC Transaction; and
- (c) ~~the none of the two~~ CCP Transaction(s) created upon novation of the Original OTC Transaction ~~was/were not~~ subject to (i) any netting or accumulation pursuant to Number 2.6 or (ii) a transfer or trade amendment pursuant to Number 2.7 or (iii) a termination of a corresponding CM-RC Transaction, if applicable, pursuant to Number 2.8.1 and, in case a Swap Transaction (as defined in the FCM Regulations) had been created upon novation of the Original OTC Transaction, such Swap Transaction was not subject to any netting, accumulation, transfer or trade amendment pursuant to Chapter II Number 2.6 to 2.8 of the FCM Regulations.

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If both Clearing Members or the Clearing Member and the FCM Clearing Member (as applicable) have given their consent to the termination request in accordance with Number 2.8.2 lit. (a), they may cancel such a request as long as the risk check performed by Eurex Clearing AG has not yet been successfully completed.

A termination pursuant to this Number 2.8.2 may also be effected with respect to part of a CCP Transaction except for IRS with a notional, fixed rate or floating rate spread schedule in which case only the entire CCP Transaction may be terminated.

All amounts payable under this Number 2.8.2 will be settled via Eurex Clearing AG.

[...]

2.10 Use of Data provided by Eurex Clearing AG

A Clearing Member, Registered Customer, ~~OTC IRS FCM Client~~ or Basic-Clearing-Member (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) may not use any data provided to it by Eurex Clearing AG in connection with the determination of the daily evaluation price or the determination of the relevant Business Day without the prior consent of Eurex Clearing AG, save for the purposes of fulfilling its own obligations vis-à-vis its customers relating to corresponding OTC interest rate derivative transactions or in order to comply with an obligation vis-à-vis a competent regulatory authority.

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Part 3 Clearing of OTC FX Transactions

[...]

3.1.7 Margin Requirements

The basic provisions for the margin requirements are set forth in Chapter I Part 1 Number 3 together with Chapter I Part 2 [Subpart A Numbers 4 and 5, Subpart B Numbers 5 and 6 and Subpart C Numbers 6 and 7, Chapter I Part 3 Subpart A Numbers 5 and 6 and Chapter I Part 4](#) Numbers 6 and 7. In addition thereto, the following provisions shall apply:

[...]

- (2) The Variation Margin Requirement and/or any Redelivery Amount (each as defined in Chapter I Part 2 Sub-part A Number 5), as the case may be, for CCP Transactions that are OTC FX Transactions and CTM FX Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (as set out in Number 3.1.6) as follows: [...]

[...]

3.2 Product-related terms for OTC FX Transactions

The following product-related terms shall apply to OTC FX Transactions.

3.2.1 Payment obligations

[...]

- (d) if

[...]

“**Forecasted Variation Margin**” means, for the purposes of Part 1 Number 1.2.3 Paragraph (1) Clause ~~44~~10 and the calculation of the Clearing Member OTC Currency Transactions Payment Obligations, an amount calculated in USD with respect to each OTC Currency Transaction in accordance with the following formula:

$$\text{Forecasted } VM_{\S}(t) = CF_{\S}(t) - CF_{\S}(t+1) + CF_{\text{€;£}}(t) \cdot FX(t-1) - CF_{\text{€;£}}(t+1) \cdot FX(t)$$

where:

$FX(t)$ denotes the forecasted FX rate for time t for EUR/USD or GBP/USD as calculated on the basis of the standard curves used for pricing;

$CF(t)$ denotes trade related cash flows in the respective currency at time t.

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“**Forecasted Currency STM Amount**” means, for the purposes of Part 1 Number 1.2.3 Paragraph (1) Clause ~~44-10~~ and the calculation of the Clearing Member OTC Currency Transactions Payment Obligations, an amount calculated in USD with respect to each STM Currency Transaction in accordance with the following formula:

[...]

3.3 Failure to Pay with respect to an OTC Currency Transaction

3.3.1 Failure to Pay Relevant Prefunding Amount

[...]

- (2) In addition thereto, the Clearing Member is obliged to pay the Prefunding Amount Contractual Penalty. The amount of the Prefunding Amount Contractual Penalty – as determined by Eurex Clearing AG – is the equivalent in the relevant Clearing Currency of 40 basis points of the relevant Prefunding Amount, with a minimum of EUR 2,500.00, CHF 3,000.00 or GBP 2,000.00, as applicable, and a maximum of EUR 10,000,000.00, CHF 12,000,000.00 or GBP 8,000,000.00, as applicable. The Prefunding Amount Contractual Penalty applies regardless of any actual damages incurred by Eurex Clearing AG and is immediately due and payable by the Prefunding Cut-Off Time on the relevant Payment Date. The Prefunding Amount Contractual Penalty shall be a “Secured Claim” for the purpose of Chapter I Part 2 Subpart A Number ~~6-54.4.3~~. The right of Eurex Clearing AG to claim further damages shall remain unaffected.

[...]

3.3.3.4 FX/XCCY Failure to Pay Costs and other costs

- (1) The Late CM shall (i) pay an amount corresponding to the Alternative Currency Difference Amount, if any, to Eurex Clearing AG and (ii) reimburse Eurex Clearing AG (irrespective of fault) for any losses, costs or expenses Eurex Clearing AG may incur in connection with or as a result of the Step-in Process or Roll-Over, including any losses, costs or expenses relating and corresponding to an FX Hedging Transaction Spread Amount payable by Eurex Clearing AG ((i) and (ii) being referred to as “**FX/XCCY Failure to Pay Costs**”). Any such payment or reimbursement claim shall be a “Secured Claim” for the purpose of Chapter I Part 2 Subpart A Number ~~6-54.3.3~~.

[...]

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Part 4 Clearing of OTC XCCY Transactions

4.1 General Provisions

4.1.1 Applicable General Provisions

[...]

[...]

4.1.7 Margin Requirements

The basic provisions for the margin requirements are set forth in Chapter I Part 1 Number 3 together with Chapter I Part 2 [Subpart A Numbers 4 and 6, Subpart B Numbers 5 and 6 and Subpart C Numbers 6 and 7, Chapter I Part 3 Subpart A Numbers 5 and 6 and Chapter I Part 4](#) Numbers 6 and 7. In addition thereto, the following provisions shall apply:

- (1) The applicable Margin Type with respect to CTM XCCY Transactions shall be Initial Margin, Variation Margin and Settlement Compensation Margin (as defined in Part 3 Number 3.1.7 Paragraph (5)); Variation Margin shall be provided in USD cash amounts only. The applicable Margin Type with respect to STM XCCY Transactions shall be Initial Margin and Settlement Compensation Margin.
- (2) The Variation Margin Requirement and/or any Redelivery Amount (each as defined in Chapter I Part 2 [Subpart A Number 75](#)), as the case may be, for CCP Transactions that are OTC XCCY Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (as set out in Number 4.1.6) as follows: [...]

[...]

4.8 Trade Netting and Accumulation

[...]

If (i) Eurex Clearing AG and a Clearing Member have agreed upon the netting and accumulation of CCP Transactions pursuant to this Number 4.8 and (ii) the relevant Clearing Member holds an Interest Rate Derivatives Clearing [LicenceLicense](#), the netting and accumulation shall also be carried out with respect to OTC Interest Rate Derivative Transactions pursuant to Part 2 Number 2.6.

[...]

[...]

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4.16 Suspension of Clearing

If one or more of a Clearing Member's CLS Nostro Banks (i) fail to (A) participate in the Testing and Trialling as set out in Number 4.14-15 in connection with Part 3 Number 3.11, (B) apply the standard customary for nostro banks in carrying out payment instructions received by the Clearing Member or (C) provide the Relevant Bank Information or (ii) become subject to any of the events set out in Chapter I Part 1 Number 7.2.1 Paragraphs (5), (7) or (8), then Eurex Clearing AG may one or more times suspend or limit the Clearing of new OTC XCCY Transactions of such Clearing Member in accordance with Chapter I Part 2 Subpart A Number 68-2 which shall apply *mutatis mutandis*.

[...]
