

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 17.10.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Provisions

[...]

- (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 the Preamble of Chapter I) 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 DC With System Access/Basic DC) 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.

[...]

[...]

1.2 Conclusion of Transactions

[...]

1.2.3 Novation Criteria

- (1) Eurex Clearing AG will accept an Original OTC Transaction for inclusion in the Clearing in accordance with the novation process if all of the following novation criteria are fulfilled:

[...]

9. The Clearing Member or the Basic Clearing Member, as applicable, 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 or the Basic Clearing Member, as relevant, 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, Part 3 Numbers 3.7 and 3.8 and Part 4 Numbers 4.8 and 4.9 (any such shortfall of Eligible Margin Assets, the “**Shortfall Margin Requirement**”), Eurex Clearing AG will require the Clearing Member 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.
- (b) Eurex Clearing AG shall notify the Clearing Member of and, as applicable, the Basic Clearing Member (or the Clearing Agent acting on its behalf) (A) the Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7, Part 3 Numbers 3.7 and 3.8 and Part 4 Numbers 4.8 and 4.9 to be covered by the Shortfall Margin Requirement as well as (B) the Shortfall Margin Amount in both the relevant Preliminary OTC Margin Call Report and OTC Margin Call Report.

[...]

[...]

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

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.

[...]

[...]

1.8 Index-related Provisions

[...]

1.8.2 Permanent Index Cessation

[...]

- (3) If a Permanent Index Cessation Event occurs, Eurex Clearing AG will determine each index level for a date from (and including) the Index Cessation Date based on the following fallbacks (any such fallback index a “**Successor Index**”), whereby lit. (a) – (d) mark the order of application of the relevant fallback. For the avoidance of doubt, a Successor Index may also consist of a fallback index plus or minus a certain fixed spread.

[...]

- (c) If an index is formally designated, nominated or recommended as a fallback index by (i) the competent central bank for the currency of the relevant index, the regulatory supervisor for either the relevant index or the Index Administrator, or any working group or committee officially endorsed or convened by any of the foregoing authorities, a group of any of the foregoing authorities, or the Financial Stability Board, or any part thereof, or (ii), if (i) does not apply, the Index Administrator of the relevant index ~~as a fallback~~, then, as of the Index Cessation Date, this fallback index shall be applied as the Successor Index, provided that Eurex Clearing states in accordance with Chapter I Part 1 Number 16.1 of the Clearing Conditions that it is operationally and legally capable to use this fallback index.

[...]

[...]

- (7) If with respect to an index a Permanent Index Cessation Event has occurred and a Successor Index may be determined in accordance with Paragraph (3) which will replace the index as of the Index Cessation Date, and the Successor Index consists of a fallback index plus or minus a certain fixed spread, Eurex Clearing AG may amend the affected OTC Interest Rate Derivative Transaction or OTC XCCY Transaction so that either

[...]

Upon request by Eurex Clearing AG, the Clearing Member or Basic Clearing Member achieving a profit due to the amendment pursuant to sentence 1 is obliged to make a payment to compensate for its profit to Eurex Clearing AG; and Eurex Clearing AG will then pay an equivalent amount to the Clearing Member or Basic Clearing Member suffering a loss due to the amendment. Eurex Clearing AG may issue this request in its reasonable discretion (*billiges Ermessen*) and it normally should issue such request if the profit or loss due of one Clearing Member or Basic Clearing Member affected by the amendment pursuant to sentence 1 amounts to more than EUR 10,000. For the avoidance of doubt, any economic value and any profit or loss referred to in this Paragraph (7) shall be discounted to present value.

1.8.3 Temporary Index Cessation

[...]

- (2) If a Temporary Index Cessation Event occurs, Eurex Clearing AG will determine each missing index level based on the following fallbacks:

[...]

- (c) If lit. (a) – (b) do not apply or the fallback mechanism contemplated therein is not feasible, Eurex Clearing will surrogate each missing Relevant Index Level by the latest available Relevant Index Level until the occurrence of an Permanent-Index Cessation Date ~~Event~~.

[...]

1.9 ISDA Copyright Notices and Disclaimers of Third Parties

1.9.1 ISDA Copyright Notice

Certain provisions of this Chapter VIII are based on copyrighted publications issued by the ISDA (including the 2006 ISDA Definitions), and adaption took place with the permission of ISDA.

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ICE LIBOR is a trademark of ICE Benchmark Administration.

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

2.1.1 Applicable General Provisions

The general provisions of Part 1 apply to all OTC interest rate derivative transactions to be cleared by Eurex Clearing AG (the transactions resulting from an inclusion in the Clearing, the "OTC Interest Rate Derivative Transactions"), except where deviating or supplementary provisions for OTC Interest Rate Derivative Transactions are set out in this Part 2.

2.1.2 Types of Transactions eligible for the Clearing; Additional Terms Consultation of Clearing Members and Basic Clearing Members/Committees

[...]

(3) If Original OTC Transactions containing break clauses (*Kündigungsrechte*) are submitted to Eurex Clearing AG for clearing, such break clauses will not become part of the OTC Interest Rate Derivative Transactions.

2.1.3 License for the Clearing of OTC Interest Rate Derivatives Transactions

[...]

2.1.5 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

[...]

2.1.5.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC Interest Rate Derivative Transactions (based on the Trade Record transmitted to Eurex Clearing AG via the ATS):

[...]

(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

- (a) in case of IRS, no more than ~~50 years and 40 Business Days~~ 51 years (18,675 calendar days) for Original OTC Transactions in EUR, USD and GBP and no more than ~~30 years and 40 Business Days~~ 31 years (11,375 calendar days) for Original OTC Transactions in CHF, DKK, SEK, NOK and JPY and no more than ~~40 years and 40 Business Days~~ 11 years (4,050 calendar days) for Original OTC Transactions in PLN,
- (b) in case of OIS, (i) no more than ~~30 years and 40 Business Days~~ 31 years (11,375 calendar days) for Original OTC Transactions in ~~EUR referencing EUR-EONIA-COMPOUND, GBP, CHF and JPY,~~ and (ii) no more than ~~50 years and 40 Business Days~~ 51 years (18,675 calendar days) for Original OTC Transactions in ~~EUR referencing EUR-EuroSTR-COMPOUND, GBP and USD,~~
- (c) in case of FRA, no more than ~~36 months and 40 Business Days~~ 3 years (1,225 calendar days) for Original OTC Transactions in EUR, USD, GBP, CHF, SEK, and JPY, ~~and no more than 24 months and 40 Business Days for Original OTC Transactions in DKK, NOK and PLN, and~~

[...]

[...]

(10) Fixed rate and floating rate spread schedules

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

[...]

(12) Notional amount

[...]

Except for ZCIS and FRA, the notional amounts can be different for each swap leg and may vary across the calculation periods relative to their value in the relevant preceding calculation period. The changes in notional can only take place at the start of the calculation periods and must be pre-determined and specified in the Trade Record submitted via the ATS. Changes in the notional amount across calculation periods may not be specified for ZCIS and FRA, OIS nor for IRS with swap legs under which amounts are payable on a compounding basis or in the form of a zero coupon payment.;

[...]

[...]

(17) Compounding

The floating leg (incl. spread) of an IRS can be subject to Compounding (also referred to as "~~S~~**straight e**Compounding" if Flat Compounding is not specified as applicable) or Flat Compounding, each as defined in Number 2.2.4 below. Only standard monthly, quarterly, semi-annual and, in case of EUR and GBP only, annual floating rate indices can be referenced for payments made on a ~~Straight~~**straight** Compounding or Flat Compounding basis, i.e. no Interest Rate Stub Periods may be specified for such OTC Interest Derivative Transactions;

For the fixed leg, neither ~~Straight~~**straight** Compounding nor Flat Compounding may be selected in the ATS. However, a fixed rate can be specified under the zero coupon option which would result in one fixed payment at swap maturity for the fixed leg only applying the provided fixed rate subject to the applicable terms of calculation such as business day conventions and day count fractions. Alternatively, a lump sum can be entered manually that would be paid unadjusted on the last payment date of the relevant zero coupon swap.

[...]

[...]

~~(20) Break Clauses~~

~~— Break clauses (*Kündigungsrechte*) are not eligible for OTC Interest Rate Derivative Transactions. If Original OTC Transactions containing break clauses are submitted to Eurex Clearing AG for clearing, such break clauses will not be recognised in course of the novation.~~

2.1.5.2 Documentation of Original OTC Transactions

- (1) In the Trade Record submitted via the ATS in respect of an Original OTC Transaction for purposes of the Clearing of OTC Interest Rate Derivative Transactions, one of the following frameworks has to be specified as the source of specifications (in particular the financial and/or pricing terms) applicable to the Original OTC Transaction:

[...]

[...]

- (3) By entering into the relevant Clearing Agreement, the Clearing Member or the Basic Clearing Member, respectively, declare(s) vis-à-vis Eurex Clearing AG that it (and, in case of the Clearing Member, also its relevant DC With System Access/Basic DC) has received a copy of the 2006 ISDA Definitions, as published by ISDA, and any amendments and/or supplements issued thereto as of the date of such Clearing Agreement. The Clearing Member or the Basic Clearing Member, respectively, further declares that it will ~~take charge of itself~~ be its own responsibility (and, in case of the Clearing Member, also its DC With System Access/Basic DC) to ~~obtain~~ receive any amendments and/or supplements to the 2006 ISDA Definitions which are published after their entering into the relevant Clearing Agreement.

The Clearing Member (also with respect to its relevant DCs With System Access/Basic DCs) ~~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.

[...]

2.1.6 Daily Evaluation Price and Discounting of Future Cashflows

- (1) Eurex Clearing AG determines the daily evaluation price on the basis of (i) the fixings published on the Reuters Screen page as defined for the relevant floating rate in Number 2.2.5 Paragraph (1) below and (ii) the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider (the respective quotes and third party provider to be selected at the reasonable discretion (*billiges Ermessen*) of Eurex Clearing AG), in each case as of the day of the

determination of the daily evaluation price (each such day a “**Reset Date**” for the purposes of Number 2.2.5 Paragraph (1)). Where no information on the relevant fixings as referred to in (i) rates is available on the relevant screen page, Eurex Clearing AG will determine the daily evaluation price in accordance with Part 1 Number 1.8. The relevant discount and forecast curves are laid out in the EurexOTC Clear Risk Methodology Description Interest Rate Swaps of Eurex Clearing AG.

[...]

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, 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 entered into~~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 entered into~~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. [...]
- (4) In addition to Variation Margin and Basic Clearing Member Variation Margin, as applicable, and as part of the primary payment obligations of CTM Interest Rate Derivative Transactions, interest (the so-called price alignment interest (“**PAI**”)) shall be payable on the cumulative Variation Margin or Basic Clearing Member Variation Margin, respectively, at the applicable overnight interest rate.

[...]

(b) The relevant indices to determine the PAI are:

- (i) In case the currency is EUR then ~~EONIA (until and including 24.07.2020)~~ or ~~€STR (from 25.07.2020 onwards)~~;
- (ii) In case the currency is USD then ~~FED FUNDS~~SOFR;

[...]

Eurex Clearing AG may switch the index to determine the IRS PAI by amending this Paragraph (4)_(b) in accordance with Chapter I Part 1 Number 17.2 or by way of applying the provisions laid out in Part 1 Number 1.8.2, in case a Permanent Index Cessation Event occurs with respect to an index, by announcing a successor index in accordance with Chapter I Part 1 Number 16.1

(each an “**IRS PAI Switch**”). Eurex Clearing AG may postpone the effective date of an IRS PAI Switch by amending this Paragraph (4) (b) ~~(bb)~~ in accordance with Chapter I Part 1 Number 17.2 or, if a Termination Event with respect to a Clearing Member, a Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, an Insolvency Termination Event with respect to a Clearing Member, an Insolvency Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, a Basic Clearing Member Termination Event or a Basic Clearing Member Insolvency Termination Event occurs and Eurex Clearing AG deems that such event may have an adverse impact on the proper course of the implementation of an IRS PAI Switch, by publishing an announcement in accordance with Chapter I Part 1 Number 16.1.

[...]

[...]

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

[...]

2.2.1 Payment Obligations

[...]

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

[...]

- (b) A price alignment amount (“**IRS Price Alignment Amount**” or “**IRS PAA**”) shall be payable by the Clearing Member or Eurex Clearing AG, as the case may be, together with the IRS STM Amount.

[...]

(bb) Number 2.1.7 (4) (b) shall apply *mutatis mutandis* to the identification of the relevant indices to determine the IRS PAA, ~~provided that each reference in Number 2.1.7 (4) to an IRS PAI Switch shall be read as a reference to an IRS PAA Switch (such switch an “**IRS PAA Switch**”).~~

[...]

[...]

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:

[...]

- (b) if “**Compounding**” is specified as applicable and “Flat Compounding” is not specified as applicable, an amount equal to the sum of the Compounding Period Amounts for each of the Compounding Periods in the related Calculation Period;

[...]

- (2) If the Floating Amount payable by a party on a Payment Date is a negative number (either due to a quoted negative Floating Rate or by operation of a negative Spread that is added to the Floating Rate) and if “Compounding” or “Flat Compounding” is not specified for that OTC Interest Rate Derivative Transaction, then the Floating Amount payable by that party on that Payment Date will be deemed to be zero and the other party will pay to that party the absolute value of the negative Floating Amount as calculated, in addition to any amounts otherwise payable by the other party for the related Calculation Period.

- (3) If either “Compounding” or “Flat Compounding” is specified in the OTC Trade Event Report to be applicable to that OTC Interest Rate Derivative Transaction and the Compounding Period Amount, the Basic Compounding Period Amount or the Additional Compounding Period Amount is a negative number (either due to a quoted negative Floating Rate or by operation of a negative Spread that is added to the Floating Rate), then the Floating Amount for the Calculation Period in which that Compounding Period or those Compounding Periods occur will be either the sum of all Compounding Period Amounts or the sum of all the Basic Compounding Period Amounts and all the Additional Compounding Period Amounts in that Calculation Period (whether positive or negative).

[...]

[...]

2.7 Transfer of CCP Transactions, Account Transfer and Trade Amendment

- (1) A CCP Transaction may be transferred in accordance with Paragraphs (3) to (78) and Numbers 2.7.1 and 2.7.2 below, as applicable, or amended in accordance with Number 2.7.3. [...]

[...]

- (4) For Any novation through which a transfer pursuant to Number 2.7 is to be made, the novation criteria as laid out in Part 1 Number 1.2.3 (1) 4., 5., 8. and 9. shall apply mutatis mutandis. Any such novation shall take effect with respect to the relevant

~~Clearing Members or Basic Clearing Members 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.

[...]

(8) Eurex Clearing AG may, subject to further restrictions set out in the systems of Eurex Clearing AG, offer a bulk transfer of two or more CCP Transactions where the check in accordance with Part 1 Number 1.2.3 (1) Clause 8 whether the Clearing Member or Basic Clearing Member has delivered sufficient Eligible Margin Assets is performed on a net basis across all such CCP Transactions.

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

[...]

(2) Any transfer or partial transfer of a CCP Transaction provided for in this Number 2.7.1 Paragraphs (1) and (2) may be effected by way of novation pursuant to Number 2.7 (4) and Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) — (e).

[...]

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 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, or~~

~~(ii) by way of a transfer to another Standard Agreement by way of novation pursuant to Number 2.7 (4) and Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) — (e).~~

[...]

[...]

2.8 Early Termination

[...]

2.8.2 Termination of Own Transactions, DC-Related Transactions and UDC-Related Transactions

A CCP Transaction ~~constituting an Own Transaction, a DC-Related Transaction or an UDC-Related Transaction~~ between of the Clearing Member and Eurex Clearing AG 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, a DC-Related Transaction or an UDC-Related Transaction of such Clearing Member and which has corresponding~~ which has identical 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:

[...]

[...]

Part 3 Clearing of OTC FX Transactions

3.1 General Provisions

[...]

3.1.2 Determination of Transactions to be included in the Clearing; Additional Terms

[...]

(2) Where a Trade Record transmitted via an ATS containing an OTC FX Transaction recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Number 3.2 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. Eurex Clearing AG will not store or record any data relating to such additional provisions.

(3) If Original OTC Transactions containing break clauses (*Kündigungsrechte*) are submitted to Eurex Clearing AG for clearing, such break clauses will not become part of the OTC FX Transactions.

[...]

3.1.5 Novation Criteria and Process Regarding OTC FX Transactions

[...]

3.1.5.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC FX Transactions (based on the trade record transmitted to Eurex Clearing AG via the relevant ATS):

[...]

~~(9) Break Clauses~~

~~Break clauses (*Kündigungsrechte*) are not eligible for OTC FX Transactions. If Original OTC Transactions containing break clauses are submitted to Eurex Clearing AG for clearing, such break clauses will not be recognised in course of the novation.~~

[...]

3.1.6 Daily Evaluation Price and Discounting of Future Cashflows

(1) ~~Eurex Clearing AG determines the daily evaluation price on the basis of the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider as of the day of the determination of the daily evaluation price (the respective quotes and third party provider to be selected at the reasonable discretion (*billiges Ermessen*) of Eurex Clearing AG).~~

(2) ~~If an FX PAI Switch and/or an FX PAA Switch occurs that necessitates a switch of the relevant discount curves used for the determination of the daily evaluation prices in accordance with Paragraph (1) (such switch an “**OTC FX Discounting Switch**”), any change of the daily evaluation price induced by the OTC FX Discounting Switch shall give rise to an offsetting cash compensation claim from Eurex Clearing against the respective Clearing Member (or vice versa, as applicable) that is equal but opposite to the Variation Margin requirement or the FX STM Amount requirement (as applicable) following from the change in the daily evaluation price induced by the OTC FX Discounting Switch. Such offsetting cash compensation claim shall be due and payable upon determination thereof by Eurex Clearing AG, but no earlier than on the effective date of the OTC FX Discounting Switch.~~

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 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 Subpart A Number 5 or Part 4 Number 7), 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: For each outstanding CCP Transaction entered into ~~concluded~~ prior to the relevant Business Day, the relevant profit or 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 entered into ~~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. [...]

[...]

- (3) In addition to Variation Margin, and as part of the primary payment obligations of CTM FX Transactions, interest (the so-called price alignment interest (“**FX PAI**”)) shall be payable on the cumulative Variation Margin at the applicable overnight interest rate.

(a) FX PAI corresponds to the overnight interest paid or received on the cumulative Variation Margin over the lifetime of the respective FX portfolio. The cumulative Variation Margin of the previous Business Day corresponds to the value of the respective FX portfolio on the previous Business Day.

[...]

FX PAI shall be calculated and payable on each Business Day with respect to each CTM FX Transaction in accordance with the following formula:

[...]

_____ “ $YF(T, T + 1)$ ” the year fraction from today to the next Business Day.

- (b) The relevant index to determine the FX PAI is SOFR.

_____ Eurex Clearing AG may switch the index to determine the FX PAI by amending this Paragraph (3) (b) in accordance with Chapter I Part 1 Number 17.2 or by way of applying the provisions laid out in Part 1 Number 1.8.2 (each an “**FX PAI Switch**”). Eurex Clearing AG may postpone the effective date of an FX PAI Switch by amending this Paragraph (3) (b) in accordance with Chapter I Part 1 Number 17.2 or, if a Termination Event with respect to a Clearing Member, a Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, an Insolvency Termination Event with respect to a Clearing Member, an Insolvency Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, a Basic Clearing Member Termination Event or a Basic Clearing Member Insolvency Termination Event occurs and Eurex Clearing AG deems that such event may have an adverse impact on the proper course of the implementation of an FX PAI Switch, by publishing an announcement in accordance with Chapter I Part 1 Number 16.1.

[...]

[...]

3.2 Product-related terms for OTC FX Transactions

[...]

3.2.1 Payment obligations

[...]

- (4) The following additional primary payment obligations apply under STM FX Transactions:

[...]

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

(aa) The FX PAA corresponds to the overnight interest paid or received on the cumulative FX STM Amounts over the lifetime of the STM FX Transaction. The cumulative FX STM Amounts of the previous Business Day correspond to the value of the STM FX Transaction on the previous Business Day.

[...]

" $YF(T, T + 1)$ " the year fraction from today to the next Business Day.

(bb) Number 3.1.7 (3) (b) shall apply *mutatis mutandis* to the identification of the relevant indices to determine the FX PAA ("**FX PAA Switch**").

[...]

3.8 Transfer of CCP Transactions, Account Transfer and Trade Amendment

- (1) A CCP Transaction may be transferred in accordance with Paragraphs (3) to (89) and Numbers 3.8.1 and 3.8.2 below, as applicable.

[...]

- (4) ~~Any~~ For a novation through which a transfer pursuant to Number 3.8 is to be made, the novation criteria as laid out in Part 1 Number 1.2.3 (1) 4., 5. 8., 9. shall apply mutatis mutandis. Any such novation shall take effect when a respective OTC Trade Daily Summary Report is made available to the relevant Clearing Members electronically via Eurex Clearing AG's system.

[...]

(8) Eurex Clearing AG may, subject to further restrictions set out in the systems of Eurex Clearing AG, offer a bulk transfer of two or more CCP Transactions where the check in accordance with Part 1 Number 1.2.3 (1) Clause 8 whether the Clearing Member has delivered sufficient Eligible Margin Assets is performed on a net basis across all such CCP Transactions.

(98) [...]

3.8.1 Transfer of a CCP Transaction to another Clearing Member

[...]

(2) Any transfer or partial transfer of a CCP Transaction provided for in this Number 3.8.1 may be effected by way of novation pursuant to Number 3.8 (4) and Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) – (e), as applicable.

3.8.2 Account Management or Account Transfers

(1) Clearing Members may book CCP Transactions to or from any of their transaction accounts in accordance with this Number 3.8.2. Any booking will take place ~~either (i) by way of an account booking within the same Standard Agreement or (ii) by way of a transfer to another Standard Agreement~~ by way of novation pursuant to Number 3.8 (4) and Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) – (e).

[...]

[...]

3.9 Early Termination

[...]

3.9.1 Conversion of DC-Related Transactions into Own Transactions

(1) A Clearing Member may convert a DC-Related Transaction into an Own Transaction of the Clearing Member. Such conversion may also be effected with respect to part of a ~~DC-With System Access/Other DC-Related Transaction~~. Chapter I Part 1 Number 11.3 shall apply *mutatis mutandis*.

[...]

3.9.2 Termination of Own Transactions, DC-Related Transactions and UDC-Related Transactions

~~A CCP Transaction constituting an Own Transaction, a DC-Related Transaction or a UDC-Related Transaction of~~ between the Clearing Member and Eurex Clearing AG may only be terminated (i) together with a CCP Transaction between Eurex Clearing AG and another Clearing Member ~~that was concluded as an Own Transaction, DC-Related Transaction or UDC-Related Transaction of such Clearing Member~~ and which has identical 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 3.1.6) and (iii) provided that:

[...]

[...]

Part 4 Clearing of OTC XCCY Transactions

4.1 General Provisions

4.1.1 Applicable General Provisions

The general provisions of Part 1 and the provisions of Part 3 (to the extent that the provisions of Part 3 expressly refer to OTC XCCY Transactions and/or OTC Currency Transactions) apply to and in connection with all cross currency swap transactions traded over-the-counter to be cleared by Eurex Clearing AG (the transactions resulting from an inclusion in the Clearing, the "OTC XCCY Transactions"), except where deviating or supplementary provisions for OTC XCCY Transactions are set out in this Part 4.

4.1.2 Determination of Transactions to be included in the Clearing; Additional Terms

[...]

(2) Where a Trade Record transmitted via an ATS containing an OTC XCCY Transaction recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Numbers 4.2 and 4.3 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. Eurex Clearing AG will not store or record any data relating to such additional provisions.

(3) If Original OTC Transactions containing break clauses (*Kündigungsrechte*) are submitted to Eurex Clearing AG for clearing, such break clauses will not become part of the OTC XCCY Transactions.

[...]

4.1.5 Novation Criteria and Process Regarding OTC XCCY Transactions

[...]

4.1.5.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC XCCY Transactions (based on the trade record transmitted to Eurex Clearing AG via the ATS):

[...]

~~(16) Break Clauses~~

~~—Break clauses (*Kündigungsrechte*) are not eligible for OTC XCCY Transactions. If Original OTC Transactions containing break clauses are submitted to Eurex Clearing AG for clearing, such break clauses will not be recognised in course of the novation.~~

4.1.5.2 Documentation of Original OTC XCCY Transactions

- (1) In the trade record submitted via the ATS in respect of an Original OTC XCCY Transaction for purposes of the Clearing of OTC XCCY Transactions, one of the following frameworks has to be specified as the source of specifications (in particular the financial and/or pricing terms) applicable to the Original OTC Transaction:

[...]

- (ii) the DRV ~~German Master Agreement for Financial Derivatives Transactions~~ (*Rahmenvertrag für Finanztermingeschäfte*) or

[...]

[...]

4.1.5.3 Bulk Backloading of Original OTC XCCY Transactions

[...]

- (5) At 3:00 p.m. (Frankfurt am Main time) and 5:00 p.m. (Frankfurt am Main time) on each Business Day Eurex Clearing AG will make available to the Clearing Member a and the DC With System Access and the Basic DC (depending on the categorisation of such Basic DC in the systems of Eurex Clearing AG) a preliminary report indicating the Bulk Backloaded Original OTC XCCY Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 4.1.5.1 and the Margin Requirement as well as any shortage in actually delivered Eligible Margin Assets.

[...]

4.1.6 Daily Evaluation Price and Discounting of Future Cashflows

- (1) Eurex Clearing AG determines the daily evaluation price on the basis of (i) the fixings published on the Reuters Screen page as defined for the relevant floating rate determined in accordance with Number 4.2.7 Paragraph (1) below and (ii) the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider (the respective quotes and third party provider to be selected at the reasonable discretion (*billiges Ermessen*) of Eurex Clearing AG), in each case as of the day of the determination of the daily evaluation price (each such day a “Reset

Date” for the purposes of Number 4.2.7 Paragraph (1)). Where no information on the relevant ~~rates~~ fixings as referred to in (i) is available on the relevant screen page, Eurex Clearing AG will determine the daily evaluation price ~~based on quotes obtained from major banks~~ in accordance with Part 1 Number 1.84.2.7 Paragraph (5) below.

- (2) If an XCCY PAI Switch and/or an XCCY PAA Switch occurs that necessitates a switch of the relevant discount curves used for the determination of the daily evaluation prices in accordance with Paragraph (1) (such switch an “**OTC XCCY Discounting Switch**”), any change of the daily evaluation price induced by the OTC XCCY Discounting Switch shall give rise to an offsetting cash compensation claim from Eurex Clearing against the respective Clearing Member (or vice versa, as applicable) that is equal but opposite to the Variation Margin requirement or the XCCY STM Amount requirement (as applicable) following from the change in the daily evaluation price induced by the OTC XCCY Discounting Switch. Such offsetting cash compensation claim shall be due and payable upon determination thereof by Eurex Clearing AG, but no earlier than on the effective date of the OTC XCCY Discounting Switch.

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 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 Subpart A Number 5 or Part 4 Number 7), 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: For each outstanding CCP Transaction entered into~~concluded~~ prior to the relevant Business Day, the relevant profit or 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 entered into~~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. [...]

[...]

- (3) In addition to Variation Margin and as part of the primary payment obligations of CTM XCCY Transactions, interest (the so-called price alignment interest (“**XCCY PAI**”)) shall be payable on the cumulative Variation Margin at the applicable overnight interest rate.

- (a) XCCY PAI corresponds to the overnight interest paid or received on the cumulative Variation Margin over the lifetime of the portfolio. The cumulative Variation Margin of the previous Business Day corresponds to the value of the XCCY portfolio on the previous Business Day.

[...]

XCCY PAI shall be calculated and payable on each Business Day with respect to each CTM XCCY Transaction in accordance with the formulas set out in Part 3 Number 3.1.7 Paragraph (3)(a).

- (b) The relevant index to determine the XCCY PAI is SOFR.

Eurex Clearing AG may switch the index to determine the XCCY PAI by amending this Paragraph (3) (b) in accordance with Chapter I Part 1 Number 17.2 or by way of applying the provisions laid out in Part 1 Number 1.8.2 (each an "XCCY PAI Switch"). Eurex Clearing AG may postpone the effective date of an XCCY PAI Switch by amending this Paragraph (3) (b) in accordance with Chapter I Part 1 Number 17.2 or, if a Termination Event with respect to a Clearing Member, a Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, an Insolvency Termination Event with respect to a Clearing Member, an Insolvency Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, a Basic Clearing Member Termination Event or a Basic Clearing Member Insolvency Termination Event occurs and Eurex Clearing AG deems that such event may have an adverse impact on the proper course of the implementation of an XCCY PAI Switch, by publishing an announcement in accordance with Chapter I Part 1 Number 16.1.

[...]

[...]

4.1.10 Calculation Agent

The Calculation Agent shall calculate the floating amounts (including the determination of the applicable floating 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 4. To the extent calculations, determinations or other action 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 CCP 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~~.

4.2 General product-related terms for OTC XCCY Transactions

[...]

4.2.1 Payment Obligations

[...]

- (5) The following additional primary payment obligations apply under STM XCCY Transactions:

[...]

- (b) A price alignment amount (“**XCCY Price Alignment Amount**” or “**XCCY PAA**”) shall be payable by the Clearing Member or Eurex Clearing AG, as the case may be, together with the XCCY STM Amount.

(aa) The XCCY PAA corresponds to the overnight interest paid or received on the cumulative XCCY STM Amounts over the lifetime of the STM XCCY Transaction. The cumulative XCCY STM Amounts of the previous Business Day correspond to the value of the STM XCCY Transaction on the previous Business Day.

[...]

“ $YF(T, T + 1)$ ” the year fraction from today to the next Business Day.

(bb) Number 4.1.7 (3) (b) shall apply *mutatis mutandis* to the identification of the relevant indices to determine the XCCY PAA (“**XCCY PAA Switch**”).

[...]

[...]

4.9 Transfer of CCP Transactions, Account Transfer and Trade Amendment

- (1) A CCP Transaction may be transferred in accordance with Paragraphs (3) to (89) and Numbers 4.9.1 and 4.9.2 below, as applicable.

[...]

- (4) ~~Any~~ For any novation through which a transfer pursuant to Number 4.9 is to be made, the novation criteria as laid out in Part 1 Number 1.2.3 (1) 4., 5., 8. and 9. shall apply mutatis mutandis. Any such novation shall take effect when a respective OTC Trade Daily Summary Report is made available to the relevant Clearing Members electronically via Eurex Clearing AG's system.

[...]

- (8) Eurex Clearing AG may, subject to further restrictions set out in the systems of Eurex Clearing AG, offer a bulk transfer of two or more CCP Transactions where the

check in accordance with Part 1 Number 1.2.3 (1) Clause 8 whether the Clearing Member has delivered sufficient Eligible Margin Assets is performed on a net basis across all such CCP Transactions.

(89) [...]

4.9.1 Transfer of a CCP Transaction to another Clearing Member

[...]

- (2) Any transfer or partial transfer of a CCP Transaction provided for in this Number 4.9.1 may be effected by way of novation pursuant to Number 4.9 (4) and Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) — (e), as applicable.

4.9.2 Account Management or Account Transfers

- (1) Clearing Members may book CCP Transactions to or from any of their transaction accounts in accordance with this Number 4.9.2. Any booking will take place ~~either (i) by way of an account booking within the same Standard Agreement or (ii) by way of a transfer to another Standard Agreement~~ by way of novation pursuant to Number 4.9 (4) and Chapter I Part 1 Number 1.2.2 Paragraph (5) (a) — (e).

[...]

[...]

4.10 Early Termination

[...]

- (5) A CCP Transaction between the Clearing Member and Eurex Clearing AG may only be early terminated (i) together with a CCP Transaction between Eurex Clearing AG and another Clearing Member ~~and~~ which has identical terms, (ii) against the payment of a cash settlement amount calculated by the Calculation Agent on the basis of the daily evaluation price (as set out in Number 4.1.6) and (iii) provided that:

[...]

[...]

4.10.2 Termination of Own Transactions, DC-Related Transactions and UDC-Related Transactions

~~A CCP Transaction constituting an Own Transaction, a DC-Related Transaction or a UDC-Related Transaction of the~~ between a Clearing Member and Eurex Clearing AG may only be terminated (i) together with a CCP Transaction between Eurex Clearing AG and another Clearing Member ~~that was concluded as an Own Transaction, DC-Related Transaction or UDC-Related Transaction of such Clearing Member and~~ which has identical 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 4.1.6) and (iii) provided that:

[...]

[...]
