

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 28.06.2021

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AMENDMENTS ARE MARKED AS FOLLOWS:  
INSERTIONS ARE UNDERLINED,  
DELETIONS ARE CROSSED OUT.

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[...]

## 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 (including inflation swaps) 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.

[...]

#### 2.1.5 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

[...]

##### 2.1.5.1 Transaction Type Specific Novation Criteria

[...]

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

In case of IRS and OIS, ~~any a~~ non-standard shortened or extended calculation period (“**Interest Rate Stub Period**”) that relates to a time period after novation, if any, must meet the following criteria:

[...]

###### (8) Floating rate indices

[...]

(j) ~~NOK-6m-NIBOR;~~ NOK-NIBOR-OIBOR; NOK-3m-NIBOR; NOK-NIBOR-NIBR;

(k) ~~SEK-3m-STIBOR-SIDE;~~

(l) ~~DKK-6m-CIBOR-DKNA13;~~ DKK-CIBOR2-DKNA13;

(m) ~~PLN-6m-WIBOR-WIBO;~~

[...]

(14) Business Days

—(a) ~~For purposes of defining the applicable Business Days applicable to the OTC Interest Rate Derivative Transaction, the details of the relevant following financial/business center(s) and/or terms may be specified:~~

<u>Financial center(s) and/or terms</u>	<u>fpML code</u>
<u>Vienna</u>	<u>ATVI</u>
<u>Brussels</u>	<u>BEBR</u>
<u>Zurich</u>	<u>CHZU</u>
<u>Frankfurt</u>	<u>DEFR</u>
<u>Copenhagen</u>	<u>DKCO</u>
<u>Madrid</u>	<u>ESMA</u>
<u>TARGET</u>	<u>EUTA</u>
<u>Helsinki</u>	<u>FIHE</u>
<u>Paris</u>	<u>FRPA</u>
<u>London</u>	<u>GBLO</u>
<u>Athens</u>	<u>GRAT</u>
<u>Dublin</u>	<u>IEDU</u>
<u>Milan</u>	<u>ITMI</u>
<u>Rome</u>	<u>ITRO</u>
<u>Tokyo</u>	<u>JPTO</u>

<u>Financial center(s) and/or terms</u>	<u>fpML code</u>
<u>Oslo</u>	<u>NOOS</u>
<u>Warsaw</u>	<u>PLWA</u>
<u>Stockholm</u>	<u>SEST</u>
<u>U.S. Government Securities Business Day (as defined in Section 1.11 of the 2006 ISDA Definitions)</u>	<u>USGS</u>
<u>New York</u>	<u>USNY</u>

The same financial center(s) and/or terms must be specified for calculation period dates and for payment dates. However, for the fixing dates, different financial center(s) and/or terms may be specified.

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

<u>Referenced floating rate index</u>	<u>FpML code of the mandatory financial center(s) and/or terms</u>		
	<u>For payment dates</u>	<u>For calculation period dates</u>	<u>For fixing dates</u>
<u>USD-LIBOR-BBA</u>	<u>USNY</u>	<u>USNY</u>	<u>GBLO</u>
<u>EUR-EURIBOR-Reuters</u>	<u>EUTA</u>	<u>EUTA</u>	<u>EUTA</u>
<u>GBP-LIBOR-BBA</u>	<u>GBLO</u>	<u>GBLO</u>	<u>GBLO</u>
<u>JPY-LIBOR-BBA</u>	<u>JPTO</u>	<u>JPTO</u>	<u>GBLO</u>
<u>CHF-LIBOR-BBA</u>	<u>CHZU</u>	<u>CHZU</u>	<u>GBLO</u>
<u>DKK-CIBOR-DKNA13, DKK-CIBOR2-DKNA13</u>	<u>DKCO</u>	<u>DKCO</u>	<u>DKCO</u>
<u>SEK-STIBOR-SIDE</u>	<u>SEKS</u>	<u>SEKS</u>	<u>SEKS</u>

<u>Referenced floating rate index</u>	<u>FpML code of the mandatory financial center(s) and/or terms</u>		
	<u>For payment dates</u>	<u>For calculation period dates</u>	<u>For fixing dates</u>
<u>NOK-NIBOR-OIBOR</u> <u>NOK-NIBOR-NIBR</u>	<u>NOOS</u>	<u>NOOS</u>	<u>NOOS</u>
<u>PLN-WIBOR-WIBO</u>	<u>PLWA</u>	<u>PLWA</u>	<u>PLWA</u>
<u>USD-SOFR-COMPOUND</u>	<u>USNY</u>	<u>USNY</u>	<u>USGS</u>
<u>USD-Federal Funds-H.15-OIS-COMPOUND</u>	<u>USNY</u>	<u>USNY</u>	<u>USNY</u>
<u>EUR-EONIA-OIS-COMPOUND</u>	<u>EUTA</u>	<u>EUTA</u>	<u>EUTA</u>
<u>EUR-EuroSTR-COMPOUND</u>	<u>EUTA</u>	<u>EUTA</u>	<u>EUTA</u>
<u>GBP-SONIA-COMPOUND</u>	<u>GBLO</u>	<u>GBLO</u>	<u>GBLO</u>
<u>JPY-TONA-OIS-COMPOUND</u>	<u>JPTO</u>	<u>JPTO</u>	<u>JPTO</u>
<u>HICPxT</u> , <u>FRCPIx</u>	<u>EUTA</u>	<u>EUTA</u>	<u>n/a</u>
<u>UK RPI</u>	<u>GBLO</u>	<u>GBLO</u>	<u>n/a</u>

, which must be TARGET (EUTA), New York (USNY), London (GBLO), Frankfurt (DEFR), Paris (FRPA), Madrid (ESMA), Brussels (BEBR), Milan (ITMI), Tokyo (JPTO), Copenhagen (DKCO), Stockholm (SEST), Oslo (NOOS), Warsaw (PLWA) or Zurich (CHZU) must be provided;

(15) Business Day Convention

The business day convention must be one of the following: (i) Following, (ii) Modified Following, or (iii) Preceding;

(16) Special eligibility criteria for FRA

In case of FRA, no spread is specified, the FRA Amount is either payable on the effective date as a discounted amount or on the termination date, the discount rate and discount rate day count fraction (if applicable) are not defined separately from the floating rate and floating rate day count fraction and the calculation period is no longer than one year, Interest Rate Stub Periods are not permitted.

[...]

### 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**”) if the following requirements are met:

(i) if the Original OTC Transaction is submitted to Eurex Clearing via MarkitWire, the trade date must be more than ten Business Days prior to the date of submission to Eurex Clearing AG and the Original OTC Transaction must be specified as a backloaded trade;

(ii) if the Original OTC Transaction is submitted to Eurex Clearing by other means, the trade date must be more than ten Business Days prior to the date of submission to Eurex Clearing AG.

[...]

### 2.1.7 Margin Requirements

[...]

- (4) [...]

- (a) [...]

The equation above is also applied for GBP FRAs with settlement in advance, where ~~VM~~ Variation Margin and PAI are instructed intraday before the SONIA overnight rate is available.

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

$$PAI(T) = -MtM_{exCF}(T - 12) * ONR(T, T + 1) * YF(T + 1, T + 21),$$

with

$$MtM_{exCF}(T - 12) = MtM(T - 12) - DCF(T - 12, T - 1) - DCF(T - 12, T + 1).$$

[...]

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

[...]

### 2.2.1 Payment Obligations

[...]

(5) [...]

(b) [...]

(aa) [...]

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

$$IRS\ PAA(T) = -MtM_{exCF}(T-1) * ONR(T, T+1) * YF(T+1, T+2),$$

With

$$MtM_{exCF}(T-1) = MtM(T-1) - DCF(T-1, T) - DCF(T-1, T+1).$$

$$\text{---} MtM_{exCF}(T-2) = MtM(T-2) - DCF(T-2, T-1) - DCF(T-2, T).$$

[...]

## 2.5 Interest Rate Derivatives Multilateral Compression

- (1) Eurex Clearing AG may from time to time agree with one or more Clearing Members and/or FCM Clearing Members on the amendment and/or termination of CCP Transactions and/or Swap Transactions that are OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions (as defined in Chapter I Number 1.1.5 of the FCM Regulations) and their subsequent replacement with other (and/or the conclusion of new) CCP Transactions and/or Interest Rate Derivative Transactions, respectively, whose combined notional value is less than that of the terminated CCP Transactions with the aim to reduce non-market risks in the existing portfolios of the Clearing Members and/or FCM Clearing Members (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 the relevant Clearing Member has made an IRS STM Election.

[...]

## **Part 3 Clearing of OTC FX Transactions**

[...]

### **3.1 General Provisions**

[...]

#### **3.1.5 Novation Criteria and Process Regarding OTC FX Transactions**

[...]

##### **3.1.5.1 Transaction Type Specific Novation Criteria**

[...]

###### **(7) Business Days**

Any dates specified under an OTC FX Transaction as dates on which an action (including a payment) shall occur, (i) for the Currency Pair EUR/USD, must be a TARGET Settlement Day, a CLS Settlement Day and a New York Banking Day, and (ii) for the Currency Pair GBP/USD, a TARGET Settlement Day, a CLS Settlement Day, a London Banking Day and a New York Banking Day. Subject to Paragraph (4) and (5) above, for purposes of defining the applicable Business Day, the relevant financial/business centre(s) or terms must be those permitted by the relevant ATS.

[...]

## **Part 4 Clearing of OTC XCCY Transactions**

### **4.1 General Provisions**

[...]

#### **4.1.5 Novation Criteria and Process Regarding OTC XCCY Transactions**

[...]

##### **4.1.5.1 Transaction Type Specific Novation Criteria**

[...]



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

~~Any A~~ non-standard shortened or extended calculation period ("**XCCY Stub Period**") that relates to a time period after novation, if any, must meet the following criteria:

[...]

(12) Business Days

For purposes of defining the applicable Business Day, details of the relevant financial/business centre(s) and/or terms must be provided, which (i) for the Currency Pair EUR/USD, must be TARGET (EUTA) and New York (USNY) and, (ii) for the Currency Pair GBP/USD, must be London (GBLO), ~~and~~ New York (USNY) and TARGET (EUTA).

[...]

**4.1.5.3 Bulk Backloading of Original OTC XCCY 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 and in respect of which the initial exchange of payments has already been settled bilaterally~~ will be considered as a backloaded trade ("**Bulk Backloaded Original OTC XCCY Transaction**") if the following requirements are met:

(i) if the Original OTC Transaction is submitted to Eurex Clearing via MarktiWire, the trade date must be more than ten Business Days prior to the date of submission to Eurex Clearing AG and the Original OTC Transaction must be specified as a backloaded trade;

(ii) if the Original OTC Transaction is submitted to Eurex Clearing by other means, the trade date must be more than ten Business Days prior to the date of submission to Eurex Clearing AG;

(iii) if the Original OTC Transaction foresees an initial exchange of payments, such payments must have already settled bilaterally.

[...]

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