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Chapter III to the Clearing Conditions of Eurex Clearing AG will be deleted as of 05.02.2018

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~~Chapter III to the Clearing Conditions of Eurex Clearing AG:~~

~~Transactions at Eurex Bonds GmbH~~

~~(Eurex Bonds)~~

~~As of 04.12.2017~~

	Eurex04e
<del>Clearing Conditions of Eurex Clearing AG</del>	<del>As of 04.12.2017</del>
<del>Chapter III Preamble</del>	<del>Page 1</del>

## **Preamble**

~~This Chapter III 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 III.~~

~~Chapter I together with this Chapter III and all references to other Chapters or Annexes of the Clearing Conditions shall apply for all Clearing Members with a respective Clearing License, their Non-Clearing Members, Registered Customers and ICM Clients as well as all Interim Participants (if applicable).~~

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 04.12.2017
	Page 2
Chapter III Table of Contents	

## Transactions at Eurex Bonds GmbH (Eurex Bonds)

Content	Page
<b>Part 1 – General Provisions</b>	<b>3</b>
1.1 Clearing License	3
1.1.1 Granting of Clearing Licenses	3
1.1.2 Prerequisites for Clearing Licenses	3
1.2 Margin Requirement	4
<b>Part 2 – Clearing of Transactions at Eurex Bonds GmbH</b>	<b>5</b>
2.1 Eurex Bonds Transactions Concerned	5
2.2 General Provisions	5
2.3 Daily Settlement	5
2.4 Failure to Deliver	6
<b>Part 3 – Transactions regarding Danish Securities with Settlement in the Home Market Denmark (“Homemarket-Transactions”)</b>	<b>7</b>
3.1 General Provisions	7
3.1.1 Applicable Regulations	7
3.1.2 Prerequisites for the participation in Homemarket-Transactions	7
3.2 Settlement of Homemarket-Transactions	7
3.2.1 General Obligations	7
3.2.2 Corporate Actions	8
3.2.3 Netting Agreement	8
3.2.4 Margin Requirement	9

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 04.12.2017
	Page 3
Chapter III Part 1	

## **Part 1 — General Provisions**

- (1) ~~If and to the extent that the Clearing of Transactions concluded at Eurex Bonds GmbH (Number 2.1) has been agreed upon between Eurex Clearing AG and Eurex Bonds GmbH or other, equivalent regulations have been reached, the provisions set forth in Chapter I shall also apply to the Clearing of Transactions concluded at Eurex Bonds GmbH, to the extent that the following rules do not provide otherwise.~~
- (2) ~~The Clearing Conditions incorporate by reference the Terms and Conditions for Participation and Trading on Eurex Bonds GmbH with respect to the Clearing of Transactions concluded on Eurex Bonds GmbH pursuant to this Chapter III in their German version and as amended from time to time.~~

### **1.1 — Clearing License**

#### **1.1.1 — Granting of Clearing Licenses**

~~A Clearing License is required in order to participate in the Clearing of the transactions in debt securities carried out at Eurex Bonds GmbH ("**Eurex Bonds Transactions**"); Eurex Clearing AG shall grant such Clearing License upon written application.~~

#### **1.1.2 — Prerequisites for Clearing Licenses**

- (1) ~~With regard to the prerequisites to be fulfilled within the scope of the granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply.~~
- (2) ~~The applicant shall meet the following additional requirements:~~
- ~~(a) Evidence of technical connection to the systems of Eurex Clearing AG, and~~
  - ~~(b) insofar as it intends to use the service of the Gross Delivery Management also optionally offered to the Clearing Members and settlement institutions (Chapter I Part 1 Number 2.1.2 Paragraph (7)) by Eurex Clearing AG in connection with the Clearing of Eurex Bonds Transactions (Chapter I Part 1 Number 1.4.2 Paragraph (2) and Number 1.3.1 Paragraph (1) (b) — (e)) — evidence of a technical and functional connection to the respective interface of the technical systems used by Eurex Clearing AG according to the specifications determined by Eurex Clearing AG.~~

	Eurex04e
<del>Clearing Conditions of Eurex Clearing AG</del>	<del>As of 04.12.2017</del>
<del>Chapter III Part 1</del>	<del>Page 3</del>

## ~~1.2 Margin Requirement~~

- ~~(1) The following provision shall apply in addition to the relevant basic provisions on margin requirement set out in Chapter I:~~
- ~~(2) The applicable Margin Type shall be the Current Liquidating Margin and the Additional Margin.~~

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 04.12.2017
	Page 5
Chapter III Part 2	

## ~~Part 2 — Clearing of Transactions at Eurex Bonds GmbH~~

### ~~2.1 — Eurex Bonds Transactions Concerned~~

- ~~(1) Eurex Clearing AG shall realise the settlement or Clearing of “Eurex Bonds Transactions” to the extent that the underlying securities of the respective Eurex Bonds Transaction are settled by Eurex Clearing AG and the relevant Settlement Location and that the prerequisites pursuant to Paragraph (2) are fulfilled.~~
- ~~(2) Eurex Clearing AG shall determine in consultation with Eurex Bonds GmbH, which Eurex Bonds Transactions or securities underlying these Eurex Bonds Transactions shall be included in the Clearing. Clearing Members will be notified by Eurex Clearing AG via electronic publication on the internet exclusively, available on the internet pages of Eurex Clearing AG (www.eurexclearing.com), as regards those securities transactions that are included in the Clearing.~~

### ~~2.2 — General Provisions~~

- ~~(1) For the clearing of Eurex Bonds Transactions, Chapter I Part 1 Numbers 1.2.5 and 1.4 applies, unless otherwise provided in this Number 2.2.~~
- ~~(2) For the procedure regarding deliveries and payments resulting from Eurex Bonds Transactions, the following applies in addition to Chapter I Part 1 Numbers 1.2.5 and 1.4:~~
- ~~(3) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the settlement of Eurex Bonds Transactions.~~
- ~~(4) Clearing Members must fulfil their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.~~
- ~~(5) The following shall apply to the procedures for delivery and payment pursuant to Paragraph (1) to (4):~~

~~All physical deliveries and payments shall be concurrently performed between the Clearing Members and Eurex Clearing AG and, accordingly, between Eurex Clearing AG and the Clearing Member which is to receive delivery, on the contractual delivery day.~~

### ~~2.3 — Daily Settlement~~

- ~~(1) For each delivery of securities not yet performed and resulting from Eurex Bonds Transactions, profits and losses will be determined on the Business Day concerned and set off against the collateral provided. For all deliveries not yet performed, the amount of the collateral to be provided shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Business Day.~~

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 04.12.2017
	Page 5
Chapter III Part 2	

~~(2) The daily settlement price shall be determined by Eurex Clearing AG.~~

#### ~~2.4~~ **Failure to Deliver**

- ~~(1) In the event that the Clearing Member obliged to deliver fails to deliver the securities sold by it by way of a Eurex Bonds Transaction on the delivery date according to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled or, on request of the Clearing Member which did not receive delivery in time, obliged to make a replacement purchase with respect to the undelivered securities as from the 5<sup>th</sup> Business Day following the delivery date and to deliver these to the Clearing Member which did not receive delivery in time or, in the case of a wholly or partially unsuccessful replacement purchase, to perform a cash settlement. The replacement and the cash settlement are performed pursuant to Chapter V Part 2 Number 2.2, the provisions on contractual penalties apply accordingly. Notwithstanding Chapter V Part 2 Number 2.2.1 Paragraph (3) (b) (aa), the cash settlement amount is determined by the highest of (i) the settlement price of the respective class of securities as determined by Eurex Clearing AG, (ii) the selling price and (iii) the purchase price of the relevant Eurex Bonds Transaction plus a premium of 300 basis points and accrued interest.~~
- ~~(2) Measures set forth in Paragraph (1) shall be binding on the Clearing Member which did not receive delivery in time.~~
- ~~(3) The defaulting Clearing Member shall bear the costs arising from measures taken pursuant to Paragraph (1) of this Number.~~
- ~~(4) The right to claim further damages shall be excluded for Eurex Clearing AG as well as for the Clearing Member which did not receive delivery in time.~~

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 04.12.2017
	Page 7
Chapter III Part 3	

### **Part 3 — Transactions regarding Danish Securities with Settlement in the Home Market Denmark (“Homemarket-Transactions”)**

~~Eurex Clearing AG carries out the clearing of all Eurex Bonds Transactions with regard to Danish securities with settlement in the home market Denmark (“Homemarket-Transactions”). The following provisions contain special provisions for the settlement respectively clearing of these transactions.~~

#### **3.1 — General Provisions**

##### **3.1.1 — Applicable Regulations**

- ~~(1) For the clearing of Homemarket-Transactions, the provisions of Part 1 and 2 shall apply unless provided otherwise by Part 3.~~
- ~~(2) Chapter I Part 1 Number 1.4.2 Paragraph (2) and Number 1.3.1 Paragraph (1) (b) — (e) (Gross Delivery Management) shall not apply for Homemarket-Transactions.~~

##### **3.1.2 — Prerequisites for the participation in Homemarket-Transactions**

- ~~(1) For the participation in Homemarket-Transactions, the applicant of a Clearing License according to Part 1 Number 1.1 shall additionally have to provide evidence that the settlement of the Homemarket-Transactions in the home market Denmark is ensured. This implies the evidence about establishment of a securities settlement account with VP Securities A/S, Denmark.~~
- ~~(2) For the participation in Homemarket-Transactions the granting of authorisations according to Chapter I Part 1 Number 2.1.2 Paragraph (5) (e) is not required.~~

#### **3.2 — Settlement of Homemarket-Transactions**

##### **3.2.1 — General Obligations**

~~Clearing Members shall fulfil their delivery obligations and payment obligations upon instruction by Eurex Clearing AG. In deviation to what applies in Chapter I Part 1 Number 1.4.2 Paragraph (3), Clearing Members themselves shall give delivery instructions. The Clearing Member is obliged to give the necessary delivery instructions either itself or through the commissioned settlement institution (Chapter I Part 1 Number 2.1.2 Paragraph (7)). Hereby, the deadlines for granting of delivery instructions applicable on the home market Denmark shall be complied with. However, delivery instructions shall be given at the latest on the Business Day preceding the valid delivery date.~~



	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 04.12.2017
	Page 7
Chapter III Part 3	

### ~~3.2.2 Corporate Actions~~

~~In case of corporate actions on securities from Homemarket Transactions not yet fulfilled, the regulations pursuant to Chapter V Part 2 Number 2.3 shall apply accordingly.~~

### ~~3.2.3 Netting Agreement~~

~~(1) Sameday netting always takes place with regard to claims of Eurex Clearing AG and the Clearing Member from Homemarket Transactions. The provisions of Chapter V Part 2 Number 2.5 shall apply accordingly. All claims arisen on the respective trading day which result from the Homemarket Transactions shall be included in the sameday netting.~~

~~(2) The provisions of Chapter V Part 2 Number 2.5.2 to Number 2.5.5 shall apply accordingly to the netting pursuant to Paragraph (1) unless otherwise agreed upon according to Paragraph (3). Chapter V Part 2 Number 2.5.3 shall apply with the proviso that the summarised claims according to Number 3.2.1 shall be fulfilled.~~

~~(3) In deviation to Paragraph (1) in connection with Chapter V Part 2 Number 2.5.2, the Clearing Member may agree with Eurex Clearing AG upon the following netting alternatives, provided that Paragraph (b) only applies to a Standard Agreement under the Elementary Clearing Model Provisions:~~

~~(a) Netting on transaction account level and per single Non-Clearing Member~~

~~— If this netting alternative is chosen, a netting unit shall be defined by the following characteristics of a transaction:~~

- ~~■ allocation to a Clearing Member Own Account or a NOSA Direct Client Account or allocation to an NCM/RC Transaction Accounts Group,~~
- ~~■ chosen settlement institution and~~
- ~~■ chosen settlement account~~

~~— In case of this netting alternative, the receivables resulting from transactions of Non-Clearing Members shall not be netted with the receivables resulting from transactions of other Clearing Member's customers. A netting of receivables resulting from transactions of different Non-Clearing Members of the Clearing Member does not take place.~~

~~(b) Netting on transaction account level~~

~~— In case of this netting alternative, a netting unit shall be defined by the following characteristics of a transaction:~~

- ~~■ allocation to a Clearing Member Own Account or a Client Transaction Account),~~
- ~~■ chosen settlement institution and~~

	Eurex04e
<del>Clearing Conditions of Eurex Clearing AG</del>	<del>As of 04.12.2017</del>
<del>Chapter III Part 3</del>	<del>Page 7</del>

- ~~■ chosen settlement account~~

~~— In case of this netting alternative, Own Transactions of the Clearing Member and Client-Related Transactions of the Clearing Member are netted separately.~~

- ~~(4) In deviation to Chapter V Part 2 Number 2.5.3, the Clearing Member may agree with Eurex Clearing AG upon a netting taking place also in the cases mentioned in Chapter V Part 2 Number 2.5.3 Sentence 5, 2nd and 3rd indent.~~

#### ~~3.2.4 Margin Requirement~~

- ~~(1) If the Clearing Member agrees with Eurex Clearing AG upon the netting alternative described in Number 3.2.3 Paragraph (3) (a) with respect to Homemarket Transactions under a Standard Agreement pursuant to the Elementary Clearing Model Provisions, margin requirements relating to Homemarket Transactions determined for the NCM/RC Own Account and NOSA Indirect Client Accounts relating to the Non-Clearing Member shall, in deviation from Chapter I Part 2 Subpart A Number 4.4.1 be summed up and assigned to the NCM/RC Own Account of the Non-Clearing Member.~~
- ~~(2) If the Clearing Member agrees with Eurex Clearing AG upon the netting alternative described in Number 3.2.3 Paragraph (3) (b), margin requirements relating to Homemarket Transactions determined for the NCM/RC Own Account and NOSA Indirect Client Account shall, in deviation from Chapter I Part 2 Subpart A Number 4.4.1, be summed up and assigned to the NOSA Direct Client Account of the Clearing Member.~~