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CHAPTER II IS BEING ADJUSTED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED.

DELETIONS ARE CROSSED OUT.

\*\*\*\*\*

[...]

## **Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)**

### **Part 1 General Provisions**

[...]

#### **1.1 Clearing Licenses**

[...]

##### **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 the following accounts:

(aa) for cash payments in Euro:

- RTGS Account, or
- SECB Account and euroSIC Account,

(bb) for cash payments in Swiss Francs:

- SNB Account and SIC Account.

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- (b) Evidence of foreign currency accounts with one of the banks recognised by Eurex Clearing AG required for purposes of settlement of the foreign products tradeable at the Eurex Exchanges.
- (c) Evidence of a securities account with Euroclear UK & Ireland together with a cash clearing account with a bank recognised by Eurex Clearing AG.
- (d) Evidence of a technical and functional connection to the Gross Delivery Management (Chapter I Part 1 Number 1.4.2 Paragraph (2) and Number 1.3.1 Paragraph (1) (b) – (e)).
- (e) The use of at least one sufficiently qualified clearing staff member according to Chapter I Part 1 Number 2.1.2 Paragraph (5)(c). The clearing staff member has to be physically present and available via telephone and fax during the Business Day until 19:00 CET. From 19:00 CET to until 22:30 CET, the applicant has to ensure that a sufficiently qualified clearing staff member is available via telephone.
- (f) Evidence of direct or indirect access to a derivatives exchange or a clearing house, each determined by Eurex Clearing AG, for purposes of fulfilling transactions in products of the Eurex Exchanges, which have been included in the clearing by Eurex Clearing AG and whose fulfilment requires the opening of a position in a specific derivatives contract at the designated exchange or clearing house, respectively, in favour of the counterparty of these transactions. If such evidence is not provided, Eurex Clearing AG will not carry out the clearing of transactions of the respective Clearing Member and its respective Non-Clearing Members or Registered Customers in products according to Sentence 1. In this case, Chapter I Number 1.2.2 does not apply, and the Eurex Exchanges shall exclude the concerned Clearing Member and its Non-Clearing Members from the trading of such products.

(g) Evidence of its admission to trading at the Eurex Exchanges for FX Futures and FX Options. If such evidence is not provided, Eurex Clearing AG will not carry out the clearing of transactions of the respective Clearing Member and its respective Non-Clearing Members or Registered Customers in products according to Sentence 1. In this case, Chapter I Number 1.2.2 does not apply, and the Eurex Exchanges shall exclude the concerned Clearing Member and its Non-Clearing Members from the trading of such products.

- (3) Upon written application and submission of relevant evidence by the applicant or a Clearing Member, Eurex Clearing AG may allow the prerequisites for granting a Clearing License pursuant to Paragraph (2) (b) and (c) to be fulfilled and proved in whole or in part by several settlement institutions on behalf of and for the applicant or the Clearing Member. Chapter I Part 1 Number 2.1.2 Paragraph (7) and (8) apply *mutatis mutandis*.
- (4) If the applicant does not provide evidence according to Paragraph (2) (c), Eurex Clearing AG shall conduct the Clearing of Transactions only to such extent as the

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settlement of the Transactions via the custody accounts and cash accounts which evidence has been provided for, is ensured.

## 1.2 Margin Requirement

[...]

### 1.8.5 Clearing Members acting as Non-Clearing Members

A Clearing Member may enter into Clearing Agreements as a Non-Clearing Member with one or two other Clearing Members in respect of MCR-Product Groups not cleared by itself. In this case the rules applicable to Non-Clearing Members shall apply accordingly.

## 1.9 Settlement Amount Limits

(1) Eurex Clearing AG may determine dedicated settlement thresholds or limits (each a "Settlement Amount Limit") limiting the maximum permissible Projected Settlement Amount applicable with respect to a Clearing Member, including Settlement Amount Limits that - if breached - entitle Eurex Clearing AG to (i) demand immediate actions from the respective Clearing Member to reduce the Projected Settlement Amount below the limit, as further set out in this Number 1.9 ("Category 1 Settlement Amount Limits") and/or (ii) to effect Transactions in FX Futures contracts and/or FX Options contracts for and on behalf of the Clearing Member to remedy the breach, as further set out in this Number 1.9 ("Category 2 Settlement Amount Limits"). For this purpose "Projected Settlement Amount" means at any time, with respect to a Clearing Member and a final settlement day (Number 1.18.4 of the Eurex Contract Specifications and/or Number 2.13.5 of the Eurex Contract Specifications), the aggregate gross short amount for any individual and/or all currencies in which FX Futures and Options contracts are to be settled that in the determination of Eurex Clearing AG would be required to be settled by the Clearing Member on the relevant final settlement day taking into account all FX Futures contracts and FX Options contracts that are Own Transactions, Customer-Related Transactions, NCM-Related Transactions or RC-Related Transactions of the Clearing Member.

To the extent necessary or practicable Eurex Clearing AG shall for the purposes of determination of Projected Settlement Amounts convert any amounts at prevailing exchange rates into the amount in which the Settlement Amount Limit is expressed.

The Clearing Member is required to ensure that the Projected Settlement Amount does not exceed the relevant Settlement Amount Limit (if any).

(2) Where Eurex Clearing AG has determined Settlement Amount Limits, it will provide at least a daily report to each Clearing Member detailing the related Projected Settlement Amounts determined with respect to the Clearing Member. Eurex Clearing AG will publish further details and guidelines regarding the determination of Settlement Amount Limits and the applicable mitigation measures on its website ([www.eurexclearing.com](http://www.eurexclearing.com)). These details and guidelines may be amended from time to time and published accordingly.

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- (3) In case the Projected Settlement Amount of a Clearing Member exceeds a related Settlement Amount Limit, applicable at that point in time, this shall constitute a breach by the Clearing Member. In this case Eurex Clearing AG shall - in addition to any other measures available to it under these Clearing Conditions - be entitled to take the following mitigation measures:
- (a) In case of a breach of a Category 1 Settlement Amount Limit Eurex Clearing AG shall be entitled to demand that the Clearing Member breaching a Category 1 Settlement Amount Limit immediately takes any measures that are necessary or expedient to reduce the Projected Settlement Amount below this limit.
- (b) In case of a breach of a Category 2 Settlement Amount Limit, Eurex Clearing AG shall be entitled to, and the Clearing Member hereby irrevocably authorises (bevollmächtigt) Eurex Clearing AG to, (i) effect Own Transactions of the Clearing Member in FX Futures contracts and/or FX Options contracts for and on behalf of the Clearing Member (ii) take any actions it deems necessary or expedient in relation thereto, in each case with the aim to remedy the breach of the Category 2 Settlement Amount Limit.

## Part 2 Clearing of Futures Contracts

The following provisions shall apply to the Clearing of futures contract transactions specified in Number 1 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich ("**Eurex Contract Specifications**").

[...]

### 2.1.2 Daily Settlement Price

[...]

#### (5) Reference times

Contract	Reference Time (CET)
[...]	[...]
FX Futures	17:30 ( <u>15:00 on every expiry day of a series / third Wednesday of the expiry month for the expiring contract</u> )
[...]	[...]

[...]

### 2.19 Clearing of FX Futures Contracts

[...]

#### 2.19.4 Failure to Pay

##### (1) Procedures in respect of defaulting Clearing Member

Unless otherwise stated below, the procedure set out in this Number 2.19.4 only applies in the case that a Clearing Member's failure to settle a Transaction cannot be attributed to a Termination Event in respect of this Clearing Member. If Eurex Clearing AG determines (initially or at any time during the procedure set out herein) that a Termination Event in respect of the defaulting Clearing Member has occurred, Eurex Clearing AG will instead take measures against the defaulting Clearing Member in accordance with the Termination provisions set out in Chapter I.

If a Transaction cannot be settled within CLS due to the fact that a Clearing Member (i) does not provide sufficient funding on its CLS Account to cover the currency

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amount payable by it in respect of a Transaction on the settlement day (as per Number 2.19.1) or (ii) fails to match a corresponding settlement instruction in accordance with the CLS procedures by 23.00 CET on the Business Day immediately prior to the settlement day (for the purposes of this Number 2.19.4 a “defaulting Clearing Member”), Eurex Clearing AG shall be entitled to take the following measures:

- (a) Eurex Clearing AG will instruct the settlement of the Transaction outside CLS by debiting the outstanding currency amount from the relevant Payment Bank or central bank account of the defaulting Clearing Member on the settlement day. Any currency amounts payable to the defaulting Clearing Member in respect of the Transaction will be credited subsequently to its relevant Payment Bank or central bank account on the settlement day.
- (b) If the Transaction cannot be settled outside CLS pursuant to Paragraph (a) due to insufficient funding on the relevant Payment Bank or central bank accounts of the defaulting Clearing Member and if Eurex Clearing AG determines that the inability of the defaulting Clearing Member to settle does not amount to a Termination Event (e.g. in the case of technical errors or a temporary general unavailability of the relevant currency), and a settlement of the Transaction is therefore excluded, Eurex Clearing AG may, on or after the settlement day, enter directly or indirectly into one or more replacement transactions on the FX market in order to obtain the currency amount(s) on a gross or net basis that would have been payable by the defaulting Clearing Member if the Transaction had been fulfilled in accordance to 2.19.3 (a “Buy-In”). Any costs, losses or expenses incurred as a result of doing the replacement transactions will be covered by the defaulting Clearing Member. Eurex Clearing AG will perform a cash settlement of the Transaction with the defaulting Clearing Member in the quotation currency on the settlement day. The cash settlement price will be determined by (i) the exchange rate price of the failed delivery instruction (i.e. the final settlement price of the Transaction) or (ii) the execution price of the Buy-In (as defined in Paragraph (c) below).
- ~~(c) In the case that a cash settlement or a Termination Event occurs with respect to the defaulting Clearing Member but the corresponding Transaction(s) with the non-defaulting Clearing Member(s) have been physically settled in accordance with Paragraph (2)(a) or (b), Eurex Clearing AG may, on the settlement day or the next following Business Day, enter into one or more replacement transactions on the spot market in order to obtain the currency amount that would have been payable by the defaulting Clearing Member if the Transaction had not been settled in cash or if no Termination Event had occurred (a “Buy-In”). If Eurex Clearing AG incurs a loss due to the fact that the Buy-In can be executed only at a different price than the original exchange rate price of the failed delivery instruction (i.e. the final settlement price), the execution price of the Buy-In will be used as the cash settlement price. If the Buy-In comprises several replacement transactions, the execution price is calculated based on volume-weighted average price of these transactions. The maximum price for the Buy-In shall be the final settlement price plus 100% premium.~~

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~~(cd)~~ If a Transaction has been settled outside CLS pursuant to Paragraph (a), the defaulting Clearing Member shall pay a contractual penalty to Eurex Clearing AG calculated in accordance with Chapter I Part 1 Number 14.2.2. ~~If a cash settlement pursuant to Paragraph (b) has taken place, the defaulting Clearing Member shall pay a contractual penalty with respect to each failed delivery instruction of EUR 50,000 per Business Day or the corresponding equivalent in CHF from the settlement day (inclusive) until the day on which the Buy-In has been completed.~~ In each case, the right of Eurex Clearing AG to claim further damages in accordance with Paragraph (3) shall remain unaffected.

(2) Procedures in respect of non-defaulting Clearing Member

If Eurex Clearing AG takes measures in respect of a Transaction of a defaulting Clearing Member in accordance with Paragraph (1), Eurex Clearing AG may perform the following steps in respect of any corresponding Transaction with a non-defaulting Clearing Member:

- (a) Eurex Clearing AG will instruct in CLS the same day settlement of the corresponding Transaction with the non-defaulting Clearing Member to whom payment of the outstanding currency amount is due.
- (b) If the same day settlement of the corresponding Transaction in CLS is not possible due to the defaulting Clearing Member's inability to settle as described in Paragraph (1), Eurex Clearing AG may instruct the payment of any currency amounts payable by or to the non-defaulting Clearing Member in respect of the corresponding Transaction outside CLS via the relevant Payment Bank or central bank accounts of the non-defaulting Clearing Member on the settlement day.
- ~~(c) If the settlement outside CLS fails due to insufficient funding on the relevant Payment Bank or central bank accounts of the non-defaulting Clearing Member, Eurex Clearing AG will perform a cash settlement with the non-defaulting Clearing Member in respect of the corresponding Transaction. The cash settlement price will be determined by the exchange rate price of the failed delivery instruction (i.e. the final settlement price of the Transaction).~~

- (3) The defaulting Clearing Member shall bear all costs and damages incurred by Eurex Clearing AG as a consequence of the measures taken pursuant to this Number 2.19.4.

### **2.19.5 Settlement Amount Limits**

Eurex Clearing AG may determine Settlement Amount Limits for FX Futures contracts in accordance with Part 1 Number 1.9.

### **2.19.6 Specific Provisions for Interim Participation**

[...]

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## Part 3 Clearing of Options Contracts

The following provisions shall apply to the Clearing of Options contract transactions specified in Number 2 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (“**Eurex Contract Specifications**”).

[...]

### 3.13 Clearing of FX-Options Contracts

[...]

#### **3.13.5 Settlement Amount Limits**

Eurex Clearing AG may determine Settlement Amount Limits for FX Options contracts in accordance with Part 1 Number 1.9.

#### **3.13.6 Failure to Pay**

- (1) If a Transaction cannot be settled within CLS due to the fact that a CLEARING MEMBER (i) does not provide sufficient funding on its CLS ACCOUNT to cover the currency amount payable by it in respect of a Transaction on the settlement day (as per Number 3.13.1) or (ii) fails to match a corresponding settlement instruction in accordance with the CLS procedures by 23.00 CET on the Business Day immediately prior to the settlement day, and the CLEARING MEMBER’s failure to settle a Transaction cannot be attributed to a Termination Event in respect of this CLEARING MEMBER, EUREX CLEARING AG shall be entitled to take the same measures as set out in Part 2 Number 2.19.4~~In the event that a Clearing Member fails to pay any currency amounts in respect of a Transaction on the settlement day (as per Number 3.13.1), Eurex Clearing AG shall be entitled to take the same measures as described in Part 2 Number 2.19.4 with respect to FX Futures contracts, provided that:~~
- ~~(a) the cash settlement price as defined in Part 2 Number 2.19.4(1)(b) shall be determined by (i) the final settlement price of the corresponding FX Futures contract or (ii) the execution price of the Buy-In;~~
  - ~~(b) losses incurred by Eurex Clearing AG in the context of a Buy-In shall be determined by the difference between the final settlement price of the corresponding FX Futures contract and the execution price of the Buy-In; and that~~
  - ~~(c) the maximum price for the Buy-In shall be the final settlement price of the corresponding FX Futures contract plus 100% premium.~~



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- (2) The provisions on contractual penalties, costs and damages set out in Part 2 Number 2.19.4 shall apply accordingly.

**3.13.7 Specific Provisions for Interim Participation**

[...]

# Agreement

for the Participation in the Individual Clearing Model under Client Clearing Documentation

between

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as Clearing Member

and

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as ICM Client

and

Eurex Clearing AG, Frankfurt/Main.

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This participation agreement (the "**ICM Participation Agreement**") is dated \_\_\_\_\_ [please include original date of the agreement], as amended and restated as of \_\_\_\_\_ [please include date of amendment to the agreement or delete this part], and entered into

**BETWEEN:**

(1) \_\_\_\_\_

(legal name)

acting through /  having its ( registered) office at

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

as Clearing Member (the "**Clearing Member**");

(2) \_\_\_\_\_

(legal name)

acting through /  having its ( registered) office at

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

as Non-Clearing Member and/or Registered Customer (the "Non-Clearing Member" and/or "Registered Customer", and for the purposes of the ICM-CCD, the "ICM Client"); and

(3) Eurex Clearing Aktiengesellschaft, a stock company (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under HRB 44828 and having its registered seat in Frankfurt am Main, with its business address at Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany, ("**Eurex Clearing AG**").

The Clearing Member, the ICM Client and Eurex Clearing AG are hereinafter also referred to as the "**Parties**" and each of them as a "**Party**".

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[...]

## **Part 3 Transaction Types included in the Clearing; Direct Segregated Margin Transfer and Retransfer**

### **1 Transaction Types included in the Clearing**

The ICM Client shall participate in the Clearing pursuant to this ICM Participation Agreement in accordance with the following elections:

- Registered Customer for the following Transaction Types:
  - Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
  - Chapter VII Transactions Concluded on the European Energy Exchange (EEX)
  - Chapter VIII Part 2 Clearing of OTC Credit Derivative Transactions
  - Chapter VIII Part 3 Clearing of OTC Interest Rate Derivative Transactions.
- Non-Clearing Member for the following Transaction Types:
  - Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges) for the following MCR-Product Groups:
    - Equity & Index Products
    - Fixed Income Products
    - International CBF-settled Products
    - UK & Irish Products
    - KOSPI Products
    - FX Products
  - [...]

### **2 Direct Segregated Margin Transfer**

[...].