Eurex Clearing AG
C7 Securities Clearing Service (C7 SCS)
Pair-Off Procedures Manual

Eurex Clearing AG (Eurex Clearing) offers a Pair-Off Service to provide Clearing Members with an opportunity to resolve opposing late securities transactions relating to the same securities (ISIN) and currency pending at the settlement location.

In scenarios where settlement instructions with opposing delivery obligations between the Clearing Member and Eurex Clearing stay unsettled at the settlement location for several days a risk arises that for the involved late Sell Transactions the provision laid out in the Clearing Conditions of Eurex Clearing AG, Chapter V, Part 2, Number 2.2.1 apply and Eurex Clearing initiates buy-in processing or cash settlement following the buy-in. The Pair-Off Service allows Clearing Members to offset such opposing delivery obligations so that Sell Transactions along with related Buy Transactions get cash settled before Eurex Clearing would initiate the buy-in processing.

In case of a failure to deliver securities, a Clearing Member can submit a **Pair-Off-Request** on the **Pair-Off Date**, which is the business day on which a buy-in process would be initiated after settlement cut-off time for the first time, to request a set-off between late **Sell Transactions** and **Buy Transactions** meeting the **Pair-Off Eligibility Requirements** in accordance with the Clearing Conditions of Eurex Clearing AG Chapter V Part 2 Number 2.2.5.

1 Pair-Off Date

The Pair-Off Date is the Business Day on which for a late Sell Transaction a buy-in process would be initiated after settlement cut-off time for the first time as set-out in Clearing Conditions of Eurex Clearing AG under Chapter V, Part 2, Number 2.2.1. The Pair-Off Date depends on the applicable classification of the securities owed under the Sell Transaction as given in below table:

Instrument classification	Pair-Off Date
Shares covered by Article 15 of Regulation (EU) No. 236/2012, i.e. regulated by ESMA Short Selling Regulation (SSR)	4th Business Day after the Contractual Settlement Date
Other securities not regulated by ESMA SSR	5th Business Day after the Contractual Settlement Date

Table 1 - Pair-Off Date

2 Pair-Off Service Procedure Flow

The process flow for the Pair-Off Service includes the following steps:

Figure 1- Pair-Off Service Procedure Flow

- **Submission of Pair-Off Request by the Clearing Member**
  The Clearing Member fills out the Pair-Off Request Form and submits it to Eurex Clearing on the Pair-Off Date during the Pair-Off Request Period.
- **Verification of Pair-Off Request and decision by Eurex Clearing**
  Eurex Clearing verifies the validity of the request and decides on acceptance of the request (see 6 Verification, Acceptance or Rejection of Pair-Off Requests by Eurex Clearing).
- **Notification by Eurex Clearing to the Clearing Member, if the request is accepted or rejected**
  Eurex Clearing notifies the Clearing Member ("Pair-Off Acceptance Notice") on the Pair-Off Date, latest until Pair-Off Acceptance Cut-Off, if it accepts the request.
- **Processing of the accepted Pair-Off Request by Eurex Clearing**
  Eurex Clearing processes the accepted Pair-Off Request during Pair-Off Processing Time (see 7 Processing of the Pair-Off Request by Eurex Clearing).

2.1 Pair-Off Service Procedure Timetable

For above mentioned Pair-Off Service procedure items the following timing applies:

Item	Timing
Pair-Off Request Period	**10.00 – 16.00 CET** on Pair-Off Date
Pair-Off Acceptance Cut-Off	**18.00 CET** on Pair-Off Date
Pair-Off Processing Time	**Until 08.30 CET on the next business date** after Pair-Off Date, before Buy-in auction would start

Table 2- Pair-Off Service Procedure Timetable

3 Pair-Off Request

A Clearing Member can submit a **Pair-Off Request** by sending a filled and signed **Pair-Off Request Form** via email to ccp@eurex.com. The email with the signed form has to be received by Eurex Clearing **during the Pair-Off Request Period from 10.00 – 16.00 CET on the Pair-Off Date** to be considered for processing.

The Pair-Off form can be downloaded from www.eurex.com/ec-en > Find > Forms > SCS Pair-Off Request Form

3.1 Content of the Pair-Off Request Form

When submitting the **Pair-Off Form** to Eurex Clearing, the Clearing Member needs to provide the following information:

Items	Description
Participant Details	Details of the C7 SCS Participant including C7 SCS Clearing Participant ID and Market Participant ID
General Information on Pair-Off	• Pair-Off Date • ISIN • Currency • Account Type / Position Account • Settlement Location • Settlement Account
Sell Transaction(s)	Sell Net Position Trade(s) that are not settled on the 4th or 5th business day after the Intended Settlement Date (ISD), depending on instrument classification (see Pair-Off Date**)**
Buy Transaction(s)	Buy Net Position Trade(s) in same ISIN and currency as the Sell Transaction(s) that have reached their ISD or are late, and meet all Pair-Off Eligibility Requirements
Expected set-off results	• Buy/Sell Indicator, i.e. direction of surplus • Remaining quantity • Remaining cash amount (includes cash offset) • ISD of trade carrying the remaining quantity
Signature	Place, Date and Signature

Table 3- Content of Pair-Off Request Form

3.2 Calculation of Pair-Off Results

The expected Pair-Off Results are calculated as follows:

Items	Description
Buy/Sell Indicator	Direction of surplus between total unsettled sell and buy quantity • sell quantity > buy quantity → sell surplus → "S" • buy quantity > sell quantity → buy surplus → "B"
Remaining quantity	Difference between total unsettled sell and buy quantity, in absolute terms
Remaining cash amount	Difference between cash amounts of involved Sell and Buy transactions pursuant to set-off and related to Buy/Sell Indicator, i.e. • positive amount in case of standard set-off result, • negative in case of "non-standard" result The remaining cash amount includes the cash offset amount as well as the cash amount of the pending remaining Net Position Trade which is determined pro-rata related to the remaining quantity.
ISD	ISD of the "youngest" trade involved in the set-off, i.e. • ISD of the Sell Transaction(s) in case of sell surplus • ISD of the "youngest" Buy Transaction subject to set-off in case of buy surplus

Table 4 - Calculation of Pair-Off Results

4 Pair-Off Eligibility Requirements

A Pair-Off Request is only be accepted by Eurex Clearing if Sell Transactions and Buy Transactions meet the following requirements:

No	Requirements
a)	All Sell Transactions and Buy Transactions have not been settled prior to the submission of the Pair-Off Request.
b)	All Sell Transactions and Buy Transactions are for same ISIN and currency (Pair-Off Securities)
c)	All Sell Transactions and Buy Transactions form part of the same Account Type and Position Account, if given. • For FWB Transactions (XETR/XFRA): Same Account Type, either A1 or PP • For Eurex Transactions (XEUR): Same Position Account, e.g. P1, P2, A1, A2, etc.
d)	All Sell Transactions and Buy Transactions have the same settlement location and same securities account.
e)	All Sell Transactions have the same Contractional Settlement Date, which relates to the Pair-Off Date as laid out in Chapter 1

f)	All Buy Transactions have their Contractional Settlement Date on or before Pair-Off Date.
g)	Pair-Off Securities are not subject to corporate action from the earliest Trade Date of a Sell or Buy Transaction (including) until the Pair-Off Date (including).
h)	Only Transactions processed for settlement locations other than Euroclear UK & International are eligible.

Table 5 - Pair-Off Eligibility Requirements

Transactions from trading venues Xetra (MIC: XETR), Börse Frankfurt (MIC: XFRA) and physical deliveries from Eurex Derivative (MIC: XEUR) are eligible for Pair-Off. A Pair-Off between transaction from different trading venues is supported if all other Pair-Off Eligibility Requirements are met.

5 Pair-Off Request Limits

Eurex Clearing restricts the right of a Clearing Member to submit Pair-Off Requests by defining the **Pair-Off Request Limits** defined in following table:

Item	Limit
Limit per Trading Member	Maximum of **5 Pair-Off Requests per Trading Member on a Pair-Off Day**
Limit per Pair-Off Request	Maximum of **15 transactions per Pair-Off Request**

Table 6 - Pair-Off Request Limits

6 Verification, Acceptance or Rejection of Pair-Off Requests by Eurex Clearing

A Pair-Off Request will only be processed by Eurex Clearing, if

i. it is received by Eurex Clearing on the Pair-Off Day
ii. it is received by Eurex Clearing during the Pair-Off Request Period
iii. all Pair-Off Eligibility Requirements are met
iv. no Pair-Off Request Limits are violated
v. Eurex Clearing accepts the request until Pair-Off Acceptance Cut-Off Time.

Eurex Clearing verifies the request on same business day, decides on acceptance of the requests and informs the member by submitting a written acceptance notice (“Pair-Off Acceptance Notice”) until 18.00 CET (“Pair-Off Acceptance Cut-Off Time”).

IMPORTANT INFORMATION:

Eurex Clearing will – in its own discretion and using best efforts – only accept a Pair-Off Request submitted by a Clearing Member, if it deems itself capable of processing the Pair-Off Request.

When making this determination, Eurex Clearing AG particularly considers the point in time when the relevant Pair-Off Request was received by Eurex Clearing AG.

For the avoidance of doubt, even in case a Pair-Off Request meets all Pair-Off Eligibility Requirements and is also received within the Pair-Off Request Period, the Clearing Member has no claim against Eurex Clearing to accept such Pair-Off Request and Eurex Clearing is also not obliged to accept such Pair-Off Request.

If Eurex Clearing determines that it does not have the capability to process the relevant Pair-Off Request, Eurex Clearing is entitled to reject such Pair-Off Request. Eurex Clearing will inform the Clearing Member about the rejection in writing as soon as practicably possible.

7 Processing of the Pair-Off Request by Eurex Clearing

After the validation and acceptance of the Pair-Off Request by Eurex Clearing, Eurex Clearing will initiate the processing of the Pair-Off Transactions. The processing will occur **at the latest until 08:30 CET of next Business Day after the Pair-Off Date**.

The processing of the Pair-Off Request includes the following steps:

- Cancelation of settlement instructions related to set-off Net Position Trades at (I)CSD
- Cash-settlement of set-off Net Position Trades in C7 SCS
- Compensation of cash offset amount on cash account of the Clearing Member
- Re-instruction of surplus quantity at (I)CSD

7.1 Identification of remaining Net Position Trade

If the Pair-Off does not lead to a full set-off of delivery obligations arising from the relevant Pair-Off Transactions, Eurex Clearing needs to identify one Net Position Trade that will be split into a part that forms part of the set-off and a remaining part which is re-instructed for settlement at the (I)CSD. For identification of this Net Position Trade Eurex Clearing applies the following rule:

- In case of a sell surplus, Eurex Clearing selects the Sell Net Position Trade with the smallest unsettled quantity.
- In case of a buy surplus, Eurex Clearing selects the youngest Buy Net Position Trade.
  If there are several Buy Net Position Trade with the same ISD subject to set-off, the trade with the smallest unsettled quantity is selected.

The identified Net Position Trade is cash-settled partly, and it is re-instructed to the (I)CSD with the remaining quantity. The cash amount of the pending remaining Net Position Trade is determined pro-rata related to the remaining quantity and based on the original total quantity and total amount of the Net Position Trade.

For this remaining quantity, Eurex Clearing sends a re-instruction for the sell-surplus after the Pair-Off considering the last status of the Sell Net Position Trade and the Default Hold/Release status configured for the respective member account. If any of the statuses is HOLD, the new instruction will also be sent in status HOLD:

Latest Status of Net Position Trade in C7 SCS	Default Hold/ Release Status		Target Status for Re-instruction
RELEASED	RELEASED	>	RELEASED
	HOLD	>	HOLD
HOLD or (PARTIALLY) RELEASED	RELEASED	>	HOLD
	HOLD	>	HOLD

Instructions related to Buy Transactions continue to be always sent out in status RELEASED, irrespective of Default Hold/Release status.

Please note that the remaining sell surplus is subject to buy-in processing pursuant to Clearing Conditions, Chapter V, Part 2, Number 2.2.1.

7.2 Calculation of Cash Offset Amount

The cash offset amount is the cash difference related to the cash-settled Sell and Buy quantity pursuant to the set-off. The cash offset amount is credited or debited to the cash account that the Clearing Member specified towards Eurex Clearing for cash compensations. Please note this cash amount might deviate from the cash account the Clearing Member uses for regular settlements, e.g. the DCA used for settlements at T2S.

Please note that the cash offset amount deviates from the total remaining cash amount if a surplus quantity remains which is reinstructed for settlement with pro-rate cash amount to the (I)CSD.

7.3 Pair-Off Processing in case of interim settlements

If any of the Sell Transaction(s) or Buy Transactions settle between receipt of the Pair-Off Request and verification and processing of the request, Eurex Clearing will process a Pair-Off for the unsettled quantities, if applicable. In case either all Sell Transactions or all Buy Transactions settle completely the Pair-Off Request is considered as obsolete and will not be counted in respect to Pair-Off limits.

8 Reporting

After successful Pair-Off processing, Clearing Members can observe the respective information in following C7 SCS reports:

Report	Reported Items
CE87x Settled Delivery Report	Net Position Trades subject to set-off are reported with settlement status PAIR-OFF SETTLED.
CE86x Pending Delivery Report	Pending Net Position Trade are reported with remaining unsettled quantity related to surplus from set-off. Please note that the Net Position Trade will have the same Net Position Trade ID, but its pending Delivery Instruction has a different Delivery Reference as before the Pair-Off.
CD85x Settled Cash Transactions	Cash Transaction resulting from cash compensation of cash offset with Cash Transaction Type • PAIR-OFF RCVD 470 or • PAIR-OFF PAID 471, respectively

Table 7 - Reporting of transactions after processed Pair-Off Request

Please be aware that (I)CSD will not send settlement confirmations for paired-off instructions, just cancellation confirmations for the settlement instructions that were cancelled by Eurex Clearing.

9 Service Fee

Processed Pair-Off Requests are subject to a fee pursuant to the price list of Eurex Clearing AG published on www.eurex.com/ec-en > Rules and Regulations.

Rejected or obsolete PairOff Requests are not charged.

10 Pair-Off Examples

10.1 Example with Sell Surplus

Pair-Off Transactions

No.	ISD	Buy-Sell Indicator	Pending Quantity	Pending Amount
S1	20.10.2025	S	120	1,200.00
B1	21.10.2025	B	70	770.00
B2	22.10.2025	B	30	270.00

Pair-Off Result

No.	ISD	Buy-Sell Indicator	Remaining Quantity	Remaining Amount
	20.10.2025	S	20	160.00

Cash Settlements

No.	ISD	Buy-Sell Indicator	Cash Settled Quantity	Cash Settled Amount
S1	20.10.2025	S	100	1,000.00
B1	21.10.2025	B	70	770.00
B2	22.10.2025	B	30	270.00

Remaining Net Position Trade

No.	ISD	Buy-Sell Indicator	Pending Quantity	Pending Amount
S1	20.10.2025	S	20	200.00

Cash Offset Amount

	Credit / Debit		Cash Offset Amount
	Debit		40.00

10.2 Example with Buy Surplus

Pair-Off Transactions

No.	ISD	Buy-Sell Indicator	Pending Quantity	Pending Amount
S1	27.10.2025	S	80	880.00
B1	28.10.2025	B	20	180.00
B2	29.10.2025	B	70	700.00

Pair-Off Result

No.	ISD	Buy-Sell Indicator	Remaining Quantity	Remaining Amount
	29.10.2025	B	10	0.00

Cash Settlements

No.	ISD	Buy-Sell Indicator	Cash Settled Quantity	Cash Settled Amount
S1	27.10.2025	S	80	880.00
B1	28.10.2025	B	20	180.00
B2	29.10.2025	B	60	600.00

Remaining Net Position Trade

No.	ISD	Buy-Sell Indicator	Pending Quantity	Pending Amount
B2	29.10.2025	B	10	100.00

Cash Offset Amount

	Credit / Debit		Cash Offset Amount
	Credit		100.00

10.3 Example with Full Set-off

Pair-Off Transactions

No.	ISD	Buy-Sell Indicator	Pending Quantity	Pending Amount
S1	04.11.2025	S	50	500.00
B1	04.11.2025	B	10	90.00
B2	03.11.2025	B	40	440.00

Pair-Off Result

No.	ISD	Buy-Sell Indicator	Remaining Quantity	Remaining Amount
-	-	B	0	30.00

Cash Settlements

No.	ISD	Buy-Sell Indicator	Cash Settled Quantity	Cash Settled Amount
S1	04.11.2025	S	50	500.00
B1	04.11.2025	B	10	90.00
B2	03.11.2025	B	40	440.00

Remaining Net Position Trade

No.	ISD	Buy-Sell Indicator	Pending Quantity	Pending Amount
-	-	-	-	-

Cash Offset Amount

	Credit / Debit		Cash Offset Amount
	Debit		30.00