

Chapter II: Special Provisions for Clearing of Interest Rate Derivative Transactions

FCM Regulations of Eurex Clearing AG

As of 12.11.2018

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THE FCM CLEARING CONDITIONS WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

Part 1 General Provisions

[...]

1.2 Conclusion of Transactions

[...]

1.2.1 Novation of Original Swap Transactions

- (1) The trade record of the relevant Original Swap Transaction has to be transmitted to Eurex Clearing AG via an Approved Trade Source System.
- (2) Whenever the trade record of an Original Swap Transaction, including, as the case may be, a Credit Limit Token, is transmitted to Eurex Clearing AG via an ATS (such record hereinafter referred to as a "**Trade Record**"), and
 - (a) if (i) a party to the Original Swap Transaction is an FCM Clearing Member holding the relevant FCM Clearing License; or
 - (ii) an FCM Client is a party to the Original Swap Transaction, the relevant FCM Clearing Member holding the relevant FCM Clearing License, which has been designated as the FCM Clearing Member for such FCM Client in the Trade Record, has accepted the Original Swap Transaction for Clearing, which acceptance (aa) may be granted in the form of a credit limit token signifying the FCM Clearing Member's pre-approved credit limit for the FCM Client that is

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included in the Trade Record submitted via the ATS (the “**Credit Limit Token**”), or (bb) may otherwise be granted in the systems of Eurex Clearing AG; and

- (b) Eurex Clearing AG accepts such Original Swap Transaction for Clearing by making a Swap Trade Novation Report available to the FCM Clearing Member electronically via its system,

a Swap Transaction will be concluded in accordance with Chapter I Number 1.3.3 Paragraph (1) and as further specified with respect to Interest Rate Derivative Transactions in Part 2.

If one side of the Original Swap Transaction will be cleared by a Non-FCM Clearing Member, Eurex Clearing AG will conclude the relevant Swap Transaction for such Non-FCM Clearing Member in accordance with the applicable provisions of the Clearing Conditions.

In case an FCM Clearing Member has to accept an Original Swap Transaction pursuant to Paragraph (2) (a) (ii) (bb) above, the FCM Clearing Member shall accept the Original Swap Transaction in the systems of Eurex Clearing AG no later than 10 minutes after the receipt of the Original Swap Transaction for acceptance (“**Acceptance Period**”). Eurex Clearing AG will inform the FCM Clearing Member about any breach of the Acceptance Period. If the FCM Clearing Member does not demonstrate to Eurex Clearing AG within a reasonable timeframe the reasons for the breach of the Acceptance Period to Eurex Clearing AG’s satisfaction, Eurex Clearing AG will reject the Original Swap Transaction.

- (3) Any acceptance of the Original Swap Transaction by Eurex Clearing AG for inclusion in the Clearing and the related novation pursuant to Chapter I Number 1.3.3 Paragraph (1) will be subject to the novation criteria pursuant to Number 1.2.3 and will be based on the Trade Record, including, as the case may be, a Credit Limit Token, provided by the ATS on behalf of the parties to the Original Swap Transaction. Eurex Clearing AG relies on the accuracy of the data set out in the Trade Record, including, as the case may be, a Credit Limit Token, and is neither able nor obliged to verify whether the Trade Record received properly reflects the terms of the Original Swap Transaction entered into by the relevant parties.

[...]
