

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

FCM Regulations of Eurex Clearing AG

As of 02.05.2019

	Eurex05e
FCM Regulations of Eurex Clearing AG	As of 02.05.2019
	Page 2

THE FCM REGULATIONS WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

Part 1 General Provisions

[...]

1.2 Conclusion of Transactions

[...]

1.2.3 Novation Criteria for the Novation of Original Swap Transactions

(1) [...]

(a) [...]

(bb) if either party is an FCM Client; (or a Pre-Allocation Executing Party on whose behalf an FCM Clearing Member will initially clear the Original Swap Transaction as an Unallocated FCM Client Transaction), accepted by the relevant FCM Clearing Member (or FCM Clearing Members, if applicable) as provided for in Number 1.2.1 Paragraph (2) (a) (ii), or

[...]

[...]

	Eurex05e
FCM Regulations of Eurex Clearing AG	As of 02.05.2019
	Page 3

Part 2 Clearing of Interest Rate Derivative Transactions

[...]

2.7 Transfer of Swap Transactions, Account Transfer and Trade Amendment

- (1) A Swap Transaction, including an Unallocated FCM Client Transaction, may be
 - (i) transferred in accordance with Paragraphs (2) to (4) and Numbers 2.7.1, 2.7.2 and 2.7.23 below or
 - (ii) amended in accordance with Number 2.7.4.
- (2) The transfer of a Swap Transaction, including an Unallocated FCM Client Transaction, except in the case of the transfer of an Unallocated FCM Client Transaction pursuant to Number 2.7.3 Paragraph (2)(b), will be performed against payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.6). Furthermore, the relevant FCM Clearing Member(s) or Non-FCM Clearing Member may specify in the system of Eurex Clearing AG an additional amount payable by the transferring FCM Clearing Member or Non-FCM Clearing Member in connection with the transfer. All amounts payable under this Paragraph (2) will be settled via Eurex Clearing AG.
- ~~(3) Any novation through which a transfer pursuant to Number 2.7.1 is to be made~~(3) Every Swap Transaction, including an Unallocated FCM Client Transaction, except in the case of the transfer of an Unallocated FCM Client Transaction pursuant to Number 2.7.3 Paragraph (2)(b), being transferred pursuant to Number 2.7.1 and 2.7.2, will be transferred by way of assumption of contract, without close out and rebooking of the transaction. Any transfer shall take effect when a respective Swap Trade Daily Summary Report is made available to the relevant FCM Clearing Member(s) or Non-FCM Clearing Member electronically via Eurex Clearing AG's system.

[...]

2.7.1 Transfer of a Swap Transaction to another FCM Clearing Member or Non-FCM Clearing Member (Trade Transfer)

- (1) Upon request of an FCM Clearing Member ~~or Non-FCM Clearing Member~~, including when acting as agent on behalf of the relevant FCM Client ~~of an FCM Clearing Member~~, entered into the system of Eurex Clearing AG, a Swap Transaction may be transferred from an FCM Clearing Member ~~or Non-FCM Clearing Member~~ to another FCM Clearing Member or Non-FCM Clearing Member holding the required Interest Rate Derivatives Clearing License.
- (2) Any trade transfer or partial trade transfer of an Own Transaction may be effected pursuant to Chapter I Number 1.3.3 Paragraph (3)(ii) and this Number 2.7.1. Any trade

	Eurex05e
FCM Regulations of Eurex Clearing AG	As of 02.05.2019
	Page 4

transfer or partial trade transfer of an FCM Client Transaction may be effected pursuant to Chapter I Number 1.3.3. Paragraph (3)~~)~~(ii) and this Number 2.7.1 and is subject to Chapter II Part 2 Number 2.7.3.

2.7.2 Account Management or Account Transfers

- (1) An FCM Clearing Member, including when acting as agent on behalf of a relevant FCM Client, may book Swap Transactions to or from any of its transaction accounts in accordance with this Number 2.7.2. ~~Any such~~Any transfer or partial transfer of an Own Transaction may be effected pursuant to Chapter I Number 1.3.3 Paragraph (3)(i) and this Number 2.7.2. Any transfer relating to FCM Client Transactions may be effected pursuant to Chapter I Number 1.3.3 Paragraph (3)~~)~~(i), this Number 2.7.2 and is subject to Number 2.7.3.

[...]

- (3) Upon request of an FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client, Eurex Clearing AG may book

[...]

- (b) an FCM Client Transaction from an FCM Client Transaction Account to any of its FCM Clearing Member Own Transaction Account, or

[...]

2.7.3 Specific Provisions for Transfer of an FCM Client Transaction, including an Unallocated FCM Client Transaction

(1) Transfer of FCM Client Transactions under Chapter I Number 1.3.3 Paragraph (3)

Eurex Clearing AG will transfer an FCM Client Transaction under Chapter I Number 1.3.3 Paragraph (3) at the request of an FCM Clearing Member made on behalf of the FCM Clearing Member's FCM Client, subject to the following:

- ~~(4)~~a) By submitting the request, the transferring FCM Clearing Member is deemed to represent to Eurex Clearing AG that it is acting at the request of the FCM Client for the relevant FCM Client Transaction Account out of which the FCM Client Transaction will be transferred.

- ~~(2)~~b) By submitting the request, the transferring FCM Clearing Member is deemed to represent to Eurex Clearing AG that the FCM Client on whose behalf it is acting is not in default to the FCM Clearing Member, and that it will hold appropriate margin in its internal account for the FCM Client to cover any positions remaining in such account following the transfer.

	Eurex05e
FCM Regulations of Eurex Clearing AG	As of 02.05.2019
	Page 5

~~(3)c)~~ The Clearing Member that will receive the FCM Client Transactions that is the subject of the transfer has consented to the transfer.

(2) Transfer of Unallocated FCM Client Transactions under Chapter I Number 1.3.3 Paragraph (4) — By consenting to the

A transfer of an Unallocated FCM Client Transaction under Chapter I Number 1.3.3 Paragraph (4) can either be initiated by (i) the Pre-Allocation FCM Clearing Member made on behalf of the receiving Pre-Allocation Executing Party pursuant to Number 2.7.3 Paragraph (2) (a) or (ii) by the Pre-Allocation Executing Party pursuant to Number 2.7.3 Paragraph (2) (b).

(a) Eurex Clearing AG will transfer an Unallocated FCM Client Transaction at the request of a Pre-Allocation FCM Clearing Member made on behalf of the Pre-Allocation Executing Party pursuant to this Number 2.7.3 Paragraph (2) (a), Numbers 2.7.1 or 2.7.2 and subject to the conditions set out in Number 2.7.3 Paragraphs (1) (a) and (c) and Number 2.7.3 (2) (c).

(b) Eurex Clearing AG will transfer an Unallocated FCM Client Transaction at the request of the relevant Pre-Allocation Executing Party in accordance with the following provisions:

(i) The Pre-Allocating Execution Party will submit a Trade Record of an Original Allocation Swap Transaction to Eurex Clearing AG via an Approved Trade Source System.

"Original Allocation Swap Transaction" means a Swap Transaction with terms identical to the relevant Unallocated FCM Client Transaction except that the notional amount of the Original Allocation Swap Transactions can be smaller than the notional amount of the relevant Unallocated FCM Client Transaction.

(ii) If the requirements for the conclusion of Swap Transactions under Chapter I Number 1.3.3 (1) and Chapter II Part 1 Number 1.2 are fulfilled, the Original Allocation Swap Transaction shall be extinguished and replaced by the following two Swap Transactions:

(a) a Swap Transaction with terms identical but opposite to the relevant Original Allocation Swap Transaction between Eurex Clearing AG and the Pre-Allocation FCM Clearing Member (acting on behalf of the Pre-Allocation Executing Party), which shall be booked on the FCM Client Transaction Suspension Account of the relevant Pre-Allocation Executing Party, and

	Eurex05e
FCM Regulations of Eurex Clearing AG	As of 02.05.2019
	Page 6

- (b) a Swap Transaction with terms identical to the relevant Original Allocation Swap Transaction between Eurex Clearing AG and the relevant Post-allocation FCM Clearing Member (acting on behalf of a FCM Client), which shall be booked on the relevant FCM Client Transaction Account or, if applicable, a transaction with terms identical to the relevant Original Allocation Swap Transaction between Eurex Clearing AG and the relevant Post-Allocation Non-FCM Clearing Member subject to the Clearing Conditions.
- (iii) Each transfer pursuant to this Number 2.7.3 Paragraph (2) (b) is subject to the conditions set out in Number 2.7.3 Paragraphs (1) (c) and Number 2.7.3 (2) (c).
- (c) Each transfer of an Unallocated FCM Client Transaction Under Chapter I Number 1.3.3 Paragraph (4) is subject to the following conditions:
- (i) Before acting as a Pre-Allocation FCM Clearing Member on behalf of a particular Pre-Allocation Executing Party, the FCM Clearing Member must establish an FCM Client Transaction Suspension Account that is specific to such Pre-Allocation Executing Party, and an FCM Client Margin Suspension Sub-Account must exist to which the FCM Client Transaction Sub-Account is linked. Further, the Pre-Allocation FCM Clearing Member (acting on behalf of the Pre-Allocation Executing Party) and Eurex Clearing AG must agree upon trade netting and accumulation pursuant to Number 2.6 with respect to the relevant FCM Client Transaction Suspension Account.
- (ii) Each Pre-Allocation FCM Clearing Member and each Post-Allocation FCM Clearing Member must comply with the provisions of CFTC Regulations 1.35 and 1.73, to the extent applicable, and to any other Applicable Law.
- (iii) When the Original Swap Transaction resulting in the Unallocated FCM Client Transaction is executed by the Pre-Allocation Executing Party on behalf of another person or is the result of a block transaction of bunched orders that includes the order of another person (or persons), the Pre-Allocation Executing Party must be eligible under CFTC Regulations and other Applicable Law to engage in such execution and subsequent post-trade allocation of the resulting Unallocated FCM Client Transaction, and the Pre-Allocation FCM Clearing Member is deemed to represent to Eurex Clearing AG that it will hold appropriate margin in its relevant internal account to cover the positions being transferred to it AG that the Pre-Allocation Executing Party is so eligible.
- ~~(5) If an FCM Client Transaction is subject to a partial transfer, Eurex Clearing AG will first split the transaction into two FCM Client Transactions, one in the amount that is subject to the partial transfer and the other in the amount of the portion that is not being transferred.~~

~~Subject to the foregoing conditions, the FCM Client Transaction being transferred will be transferred by way of assumption of contract, without close out and rebooking of the transaction.~~

[...]
