

Chapter I: Clearing Model Related Provisions

FCM Regulations of Eurex Clearing AG

As of 19.08.2019

THE FCM REGULATIONS WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

Chapter I Clearing Model Related Provisions

[...]

6.3 Provisions Common to Both LSOC Models

An FCM Clearing Member may clear FCM Client Transactions for an FCM Client in accordance with either the LSOC Without Excess Model or the LSOC With Excess Model (together, the "**LSOC Models**").

The following provisions in this Number 6.3 apply regardless of the LSOC Model that the FCM Clearing Member has elected with respect to the relevant FCM Client.

6.3.1 Election of applicable LSOC Model

~~(1) Prior to the establishment of each FCM Client Margin Account An FCM Clearing Member must specify within the systems of Eurex Clearing AG, the FCM Clearing Member must specify for each FCM Client Margin Account whether such FCM Client Margin Account shall be established under the LSOC Without Excess Model or the LSOC With Excess Model ("**LSOC Model Election**") by submitting a notice in form and substance satisfactory to Eurex Clearing ("**LSOC Model Election Notice**").~~

~~If the FCM Clearing Member wants to alter its LSOC Model Election with respect to a FCM Client Margin Account after its establishment, the FCM Clearing Member shall submit a new LSOC Model Election Notice to Eurex Clearing AG.~~

~~(2) Eurex Clearing AG reserves the right to reject the election of an FCM Clearing Member to establish an FCM Client Transaction Account (and corresponding FCM Client Margin Sub Account) under the LSOC With Excess Model in its own reasonable discretion. Any such FCM Client Transaction Account (and corresponding FCM Client Margin Sub Account) shall be established and maintained in accordance with the LSOC Without Excess Model.~~

[...]

6.4 LSOC Without Excess Model

[...]

6.4.2 FCM Client Buffer

[...]

~~(3) Eurex Clearing AG will calculate the Margin Requirement for each FCM Client Transaction Account for the end-of-day settlement cycle and issue a Margin Call for the corresponding FCM Client Margin Sub-Account without regard to any Encumbered FCM Client Buffer applied to such FCM Client Margin Sub-Account on the Business Day to which the end-of-day Margin Call applies. The FCM Clearing Member may (with the consent of Eurex Clearing AG) elect to use the FCM Client Buffer to meet (in whole or in part) the Margin Call, in which case the FCM Client Buffer becomes part of the FCM Client Sub-Account Balance and no longer constitutes Encumbered FCM Client Buffer or FCM Client Buffer.~~

6.4.3 Margin Calls; Application of FCM Client Buffer

[...]

(2) Eurex Clearing AG will issue a Margin Call with respect to an FCM Client Transaction Account at any time prior to the end of a Business Day provided that if the following requirements are met:

[...]

If such requirements are met, Eurex Clearing AG will exercise the Margin Call without regard to any FCM Client Buffer. Eurex Clearing AG will book the value of the Eligible Margin Assets Actually Delivered by the FCM Clearing Member due to a Margin Call into the relevant FCM Client Margin Sub-Account(s) covered by the Margin Call.

(3) ~~As provided in Number 6.4.2 Paragraph (3), Eurex Clearing AG will calculate the Margin Requirement for each FCM Client Transaction Account for the end-of-day settlement cycle and issue a Margin Call for the corresponding FCM Client Margin Sub-Account without regard to any Encumbered FCM Client Buffer applied to such FCM Client Margin Sub-Account on the Business Day to which the end-of-day Margin Call applies. If the FCM Clearing Member (with the consent of Eurex Clearing AG) elects to use the Encumbered FCM Client Buffer to meet (in whole or in part) the Margin Call, the Encumbered FCM Client Buffer becomes part of the FCM Client Sub-Account Balance and no longer constitutes Encumbered FCM Client Buffer or FCM Client Buffer. In the end-of-day settlement cycle, Eurex Clearing AG shall use~~

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the FCM Client Buffer to meet (in whole or in part) any Margin Call Eurex Clearing AG determines with respect to any FCM Client Transaction Account(s).

- (a) In case Eurex Clearing AG determines an FCM Client Margin Shortfall with respect to one or more FCM Client Transaction Account(s) linked to the same FCM Client Margin Account, Eurex Clearing AG will not issue a Margin Call with respect to such FCM Client Transaction Account(s) provided that the sum of all FCM Client Margin Shortfalls determined with respect to the same FCM Client Margin Account does not exceed the balance of the FCM Client Buffer Sub-Account of such FCM Client Margin Account.

Eurex Clearing AG will book the value of the Eligible Margin Assets needed to cover the FCM Client Margin Shortfall(s) with respect to the relevant FCM Client Transaction Account(s) into the relevant FCM Client Margin Sub-Account(s) and will reduce the FCM Client Buffer Sub-Account accordingly.

- (b) In case Eurex Clearing AG determines an FCM Client Margin Shortfall with respect to one or more FCM Client Transaction Account(s) linked to the same FCM Client Margin Account and Eurex Clearing AG determines that the sum of all FCM Client Margin Shortfalls determined with respect to the same FCM Client Margin Account exceeds the balance of the FCM Client Buffer Sub-Account of such FCM Client Margin Account, Eurex Clearing AG will issue a Margin Call with respect to such FCM Client Transaction Account(s) in an amount equal to the difference of (i) the sum of all FCM Client Margin Shortfalls and (ii) the balance of the FCM Client Buffer Sub-Account.

Eurex Clearing AG will book the value of the Eligible Margin Assets Actually Delivered by the FCM Clearing Member due to a Margin Call (including any FCM Client Buffer needed to cover the relevant FCM Client Margin Shortfall) into the relevant FCM Client Margin Sub-Account(s) and will reduce the FCM Client Buffer Sub-Account to zero.

[...]

- ~~(6) Eurex Clearing AG will book the value of the Eligible Margin Assets Actually Delivered by the FCM Clearing Member due to a Margin Call into the relevant FCM Client Margin Sub-Account(s) covered by the Margin Call.~~

[...]

6.5 LSOC With Excess Model

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[...]

6.5.3 FCM Client Buffer

- (1) If Eurex Clearing determines at any time prior to the end of a Business Day that the applicable Margin Requirement with respect to an FCM Client Transaction Account exceeds the FCM Client Margin Sub-Account Balance (which with respect to this Number 6.5 includes the related FCM Client Assumed Allocation Sub-Account Balance as a component) for such FCM Client Transaction Account ("FCM Client Margin Shortfall"), Eurex Clearing AG is permitted to apply any portion of the FCM Client Buffer carried in the FCM Client Buffer Sub-Account in the same FCM Client Margin Account as the FCM Client Margin Sub-Account to satisfy the FCM Client Margin Shortfall (the "**Encumbered FCM Client Buffer**").
- (2) Eurex Clearing AG will calculate the Margin Requirement for each FCM Client Transaction Account for the end-of-day settlement cycle and issue a Margin Call for the corresponding FCM Client Margin Sub-Account without regard to any Encumbered FCM Client Buffer applied to such FCM Client Margin Sub-Account on the Business Day to which the end-of-day Margin Call applies. ~~The FCM Clearing Member may (with the consent of Eurex Clearing AG) elect to use the FCM Client Buffer to meet (in whole or in part) the Margin Call, in which case the FCM Client Buffer becomes part of the FCM Client Assumed Allocation Sub-Account and no longer constitutes Encumbered FCM Client Buffer or FCM Client Buffer.~~

6.5.4 Margin Calls; Application of FCM Client Buffer

[...]

- (2) Eurex Clearing AG will issue a Margin Call with respect to an FCM Client Transaction Account at any time prior to the end of a Business Day provided that if the following requirements are met:

[...]

If such requirements are met, Eurex Clearing AG will exercise the Margin Call without regard to any FCM Client Buffer. Eurex Clearing AG will initially book the value of the Eligible Margin Assets Actually Delivered by the FCM Clearing Member due to a Margin Call into the relevant FCM Client Assumed Allocation Sub-Account.

- (3) ~~As provided in Number 6.5.3 Paragraph (2), Eurex Clearing AG will calculate the Margin Requirement for each FCM Client Transaction Account for the end-of-day settlement cycle and issue a Margin Call for the corresponding FCM Client Margin Sub-Account without regard to any Encumbered FCM Client Buffer applied to such FCM Client Margin Sub-Account on the Business Day to which the end-of-day Margin Call applies. If the FCM Clearing Member (with the consent of Eurex Clearing AG) elects to use the Encumbered FCM Client Buffer to meet (in whole or in part) the Margin Call, the Encumbered FCM Client Buffer becomes part of the FCM Client Sub-Account Balance and no longer constitutes Encumbered FCM Client Buffer or FCM Client Buffer. In the end-of-day settlement cycle, Eurex Clearing AG will issue a Margin Call with respect to an FCM Client Transaction Account, if Eurex Clearing determines there is an FCM Client Margin Shortfall with respect to such FCM Client Transaction Account without regard to any FCM Client Buffer.~~

Eurex Clearing AG will initially book the value of the Eligible Margin Assets Actually Delivered by the FCM Clearing Member due to a Margin Call into the relevant FCM Client Assumed Allocation Sub-Account(s).

[...]

- ~~(6) Eurex Clearing AG will initially book the value of the Eligible Margin Assets Actually Delivered by the FCM Clearing Member due to a Margin Call into the relevant FCM Client Assumed Allocation Sub-Account(s).~~

[...]
