

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

FCM Regulations of Eurex Clearing AG

As of 19.09.2019

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THE FCM REGULATIONS WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 2 Clearing of Interest Rate Derivative Transactions

[...]

2.5 Interest Rate Derivatives Multilateral Compression

- (1) Eurex Clearing AG may from time to time agree with one or more FCM Clearing Members and Non-FCM Clearing Members on the amendment and/or termination of Swap Transactions that are Interest Rate Derivative Transactions and their subsequent replacement with other Swap Transactions whose combined notional value is less than that of the terminated Swap Transactions (an **“Interest Rate Derivatives Multilateral Compression”**). [...]
- (2) The process leading to an Interest Rate Derivatives Multilateral Compression (an “Interest Rate Derivatives Compression Run”) is operated by a third party compression services provider appointed by Eurex Clearing AG (an “Interest Rate Derivatives CSP”) and carried out on the basis of documentation as agreed between Eurex Clearing AG, the relevant Interest Rate Derivatives CSP and the FCM Clearing Members and Non-FCM Clearing Members participating in the Interest Rate Derivatives Compression Run (the “Interest Rate Derivatives Compression Documentation”). In case of any discrepancies between the Interest Rate Derivatives Compression Documentation and the FCM Clearing Conditions, the FCM Clearing Conditions shall prevail.
- (3) An Interest Rate Derivatives Multilateral Compression shall be deemed completed as soon as all acts required by the respective Interest Rate Derivatives Compression Documentation for a compression are fulfilled (this point in time the “Interest Rate Derivatives Compression Time”). If TriOptima AB (“TriOptima”) acts as the Interest Rate Derivatives CSP, an Interest Rate Derivatives Multilateral Compression takes place by way of novation on the terms of a proposal of TriOptima AB (Accepted Unwind Proposal) and as of the time when TriOptima AB receives the

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respective clearing confirmation from Eurex Clearing AG (Eurex Clearing Confirmation) ~~(the “Interest Rate Derivatives Compression Time”). If Capitalab, BGC Brokers LP (“Capitalab”) acts as the Interest Rate Derivatives CSP, an Interest Rate Derivatives Multilateral Compression takes place by way of novation on the terms of a proposal of Capitalab (Accepted Unwind Proposal) and as of the time when Capitalab receives the respective acceptance from Eurex Clearing AG of said proposal.~~

2.5.1 Interest Rate Derivatives Compression Run

- ~~(1) The process leading to an Interest Rate Derivatives Multilateral Compression (an “Interest Rate Derivatives Compression Run”) is operated by a third party compression services provider appointed by Eurex Clearing AG (an “Interest Rate Derivatives CSP”) and carried out on the basis of documentation as agreed between Eurex Clearing AG, the relevant Interest Rate Derivatives CSP and the FCM Clearing Members and Non-FCM Clearing Members participating in the Interest Rate Derivatives Compression Run (the “Interest Rate Derivatives Compression Documentation”).~~
- (12) Participation by an FCM Clearing Member in an Interest Rate Derivatives Compression Run presupposes that the FCM Clearing Member:
- (a) is a party to the respective Interest Rate Derivatives Compression Documentation up to and including the Interest Rate Derivatives Compression Time;
 - (b) is eligible to participate in the Interest Rate Derivatives Compression Run according to the requirements determined by Eurex Clearing AG and those set out in the respective Interest Rate Derivatives Compression Documentation; and
 - (c) has nominated those Swap Transactions which it wishes to make available for Interest Rate Derivatives Multilateral Compression in accordance with the respective Interest Rate Derivatives Compression Documentation.
- (23) In relation to each Interest Rate Derivatives Compression Run, Eurex Clearing AG will instruct the Interest Rate Derivatives CSP according to the respective Interest Rate Derivatives Compression Documentation to:
- (a) notify FCM Clearing Members meeting the criteria under Paragraph (12) of the timing and procedure for the Interest Rate Derivatives Compression Run;
- [...]
- (c) communicate such Interest Rate Derivatives Compression Proposal to each participating FCM Clearing Member for acceptance in the manner contemplated in the respective Interest Rate Derivatives Compression Documentation.

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- (34) Eurex Clearing AG reserves the right to determine in its sole discretion whether Swap Transactions proposed for inclusion in an Interest Rate Derivatives Compression Run may be so included.
- (45) Eurex Clearing AG may disclose details of any Swap Transaction to be included in an Interest Rate Derivatives Compression Run and related information in respect of participating FCM Clearing Members to the Interest Rate Derivatives CSP in order to facilitate the Interest Rate Derivatives Compression Run.
- (56) In order to facilitate the Interest Rate Derivatives Compression Run, Eurex Clearing AG may lock Swap Transactions which are included in an Interest Rate Derivatives Compression Run for such processing as described in Numbers 2.6 to 2.8 (Trade Netting and Accumulation, Transfer of Swap Transactions and Account Transfer and Termination).
- (67) The Interest Rate Derivatives CSP will provide information on termination fees related to an Interest Rate Derivatives Compression Run to Eurex Clearing AG on trade level per FCM Clearing Member. [...]

2.5.2 Acceptance of Interest Rate Derivatives Compression Proposal

- (1) Interest Rate Derivatives Multilateral Compression shall take place in accordance with the terms of an Interest Rate Derivatives Compression Proposal which has been accepted by all participating FCM Clearing Members and Non-FCM Clearing Members in the manner and by the time specified in the respective Interest Rate Derivatives Compression Documentation. [...]

[...]

[...]
