clear to trade

eurex clearing *circular 078/13*

Date: 28 June 2013
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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Changes of the Clearing Conditions due to introduction of further fund types for the Individual Clearing Model, discontinuation of supported BBA fixings for OTC IRS, editorial changes

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Content may be most important for:	**Attachments:**
➲ All departments	Amended sections of the Clearing Conditions for Eurex Clearing AG incl. amendments to the Clearing Agreements between Eurex Clearing AG, the Clearing Members, Non-Clearing Members and Registered Customers according to Appendices 1 to 4 to the Clearing Conditions

Summary:

Eurex Clearing further broadens the scope of its Individual Segregation Solution for specific fund types to allow for highest customer protection level in additional jurisdictions.

Eligibility criteria for OTC IRS products have been changed according to the stopped support of The British Bankers' Association (BBA) fixings of several index tenors in the currencies Swiss francs, British pound and U.S. dollar. Following the guidelines of the International Swaps and Derivatives Association, Inc. (ISDA), the applicable rate is to be interpolated by the remaining (neighbouring) tenors.

Attached to this circular you will find the amended sections of the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) including the amended Clearing Agreements, as decided by the Executive Board of Eurex Clearing AG , which will come into effect on **15 July 2013**.

Changes of the Clearing Conditions due to introduction of further fund types for the Individual Clearing Model, stop of supported BBA fixings for OTC IRS, editorial changes

Eurex Clearing will introduce the following additional jurisdictions/combinations to further broaden the reach of its Individual Segregation Solution:

As Registered Customer (RC)	In combination with Clearing Member (CM) located in		
	Luxembourg	England/Wales	France
Luxembourg funds ("fonds commune de placement"/"FCP" and "Société d'investissement à capital variable"/"SICAV" or "Société d'investissement à capital fixe"/"SICAF")	✓		
England/Wales domiciled authorised investment companies with variable capital as constituted by the Open-Ended Investment Companies Regulation 2001 ("OEICs")		✓	
German investment fund managed by a KAG ("Kapitalanlagegesellschaft")		✓	✓
England/Wales domiciled authorised unit trusts ("AUTs")		✓	✓

Thereby Eurex Clearing offers maximum protection for Members under a proven legal construct for a broader range of customers.

The current provision in the Clearing Conditions requires that a Clearing Member (CM) opens a security margin account for each of its Non-Clearing Members (NCM)/Registered Customers (RC) pursuant to the Individual Clearing Model (ICM) at an approved collateral location. To reduce operation efforts for external security margin accounts, collateral for ICM clients can be held in one single collateral account. Therefore each transfer needs to contain a specific customer identifier to enable Eurex Clearing to perform segregation pursuant to the ICM segregated NCM/RC on its internal books and records.

At the end of May 2013, the British Bankers' Association (BBA) has stopped fixing of the following index tenors: 2W, 4M, 5M, 7M, 8M, 9M, 10M, 11M. This affects the currencies Swiss francs, British pound and U.S. dollar, where stubs with fixing of the first or last rate at one of the specified rate index tenors are not eligible for new trades any longer. The currency euro is not affected. Following the guidelines by ISDA, the applicable rate is to be interpolated by the remaining tenors, eligible for clearing (Swiss francs and U.S. dollar: Libor 1W, 1M, 2M, 3M, 6M; British pound: Libor 1W, 1M, 2M, 3M, 6M, 1Y).

For this purpose, the following major amendments to the Clearing Conditions and Clearing Agreements, all effective 15 July 2013 have been made:

- To reflect the offering of the ICM to investment funds in the respective approved jurisdictions the Clearing Conditions Chapter I Part 1 Number 1.1.6 (1) , the Clearing Agreement for the ICM attached to the Clearing Conditions as Appendix 3 and the Transfer Agreement attached to the Clearing Conditions as Appendix 4 are amended;
- To reduce operation efforts for external security margin account, Clearing Condition Chapter I Part 1 Number 2.1.2 (4) (a) (bb) is adjusted;

- To reflect the stop of fixing by BBA Chapter 3 VIII Number 3.1.4.1 (6) is adjusted.

Attached to this circular you will find all amended sections of the Clearing Conditions including the amended Appendices, as decided by the Executive Board of Eurex Clearing AG, which will come into effect on 15 July 2013.

As of 15 July 2013, the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations

Pursuant to Chapter I, Part 1, Number 17.2.2 of the Clearing Conditions, each Clearing Member (CM) or Non-Clearing Member (NCM) or Registered Customer (RC) accepts each amendment and addition to the Clearing Conditions, unless it objects by written notice to Eurex Clearing AG before the end of the Business Day prior to the actual effective date of such amendment or addition to the Clearing Conditions. The right to terminate the Clearing Agreement and the Clearing License according to Chapter I, Part 1, Number 2.1.4, Paragraph 1 of the Clearing Conditions shall remain unaffected.

This applies to the amendments and additions to the Clearing Agreements entered into between Eurex Clearing AG and CMs according to Appendix 1 to the Clearing Conditions and to the Clearing Agreements entered into between Eurex Clearing AG and CMs, NCMs and RCs according to Appendices 2 to 4 to the Clearing Conditions communicated with this circular. The amendments and additions to the mentioned Clearing Agreements communicated in this circular shall be deemed to have been accepted by the affected CMs, NCMs and RCs unless they file objections by written notice to Eurex Clearing AG before the end of the Business Day prior to the actual effective date of such amendment or addition.

If you have any questions or require further information, please contact Member Services & Admission at tel. +49-69-211-1 17 00 or send an e-mail to memberservices@eurexclearing.com.

28 June 2013