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eurex clearing *circular 144/16*

Date: 14 December 2016
Recipients: All affected customers
Authorized by: Heike Eckert

Amendments to Eurex Clearing's access policy framework

Related Eurex Clearing Circulars: 012/13, 042/16

Contact: Group Client Services & Administration, T +49-69-211-1 17 00, memberservices@eurexclearing.com

Content may be most important for:

➲ All departments

Attachments:

1 and 2: Amended sections of the Clearing Conditions of Eurex Clearing AG

Summary:

This circular contains information with respect to Eurex Clearing's service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) in relation to changes in Eurex Clearing's access policy framework:

1. Introduction of a Direct Clearing Membership license for the clearing of OTC IRS
2. Removal of the Multiple Clearing Relationship product group restrictions for Eurex Derivatives

The amended sections of the Clearing Conditions, as decided by the Executive Board of Eurex Clearing AG, will come into effect on **9 January 2017** and are attached to this circular.

eurex clearing

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Aktiengesellschaft mit
Sitz in Frankfurt/Main
HRB Nr. 44828
USt-IdNr. DE194821553
Amtsgericht
Frankfurt/Main

Amendments to Eurex Clearing's access policy framework

This circular contains information with respect to Eurex Clearing's service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) in relation to changes in Eurex Clearing's access policy framework:

1. Introduction of a Direct Clearing Membership license for the clearing of OTC IRS
2. Removal of the Multiple Clearing Relationship product group restrictions for Eurex Derivatives

The amended sections of the Clearing Conditions, as decided by the Executive Board of Eurex Clearing AG, will come into effect on 9 January 2017 and are attached to this circular.

1. Introduction of a Direct Clearing Member (DCM) license for the clearing of OTC IRS

In order to harmonize the direct access framework from a cross-market perspective and to bridge the existing gap on the OTC side between a Basic Clearing Member (BCM) and a General Clearing Member (GCM) license, a DCM license for the clearing of OTC IRS is introduced.

Potential applicants for the new license will be Credit Institutions, Financial Service Providers, Investment Firms, Investment Funds, (Re-)Insurance Companies, and Pension Funds. The new DCM OTC license will allow the clearing of own transactions only.

The minimum requirement with regard to capital is set to EUR 7.5 million and thus, aligned with the DCM requirement for listed derivatives. The dynamic requirement (i.e. 20% of initial margin requirement) applies as usual.

Minimum Clearing Fund contribution is either EUR 1 million for Credit Institutions, Financial Service Providers, Investment Firms and Insurance Companies, or EUR 100,000 for Investment Funds, Insurance Pools, and Pension Funds, respectively. The dynamic requirement (i.e. 7% of initial margin requirement) applies as usual.

All OTC CMs who are already admitted will keep their GCM status. The admission criteria with regard to capital requirements and Clearing Fund contribution for an ISA Direct OTC Member (BCM license) will be fully aligned with the DCM OTC license.

To reflect the recommended changes, the following provisions of the Clearing Conditions shall be amended as outlined in Attachment 1:

- Chapter I Part 1 Number 2.1.1(4)
- Chapter VIII Part 1 Number 1.1.1 and Number 2.1.3
- Appendix 1 Attachment 1

2. Removal of the Multiple Clearing Relationship (MCR) product group restrictions for Eurex Derivatives

In 2013, Eurex Clearing launched the Multiple Clearing Relationship (MCR) for the Eurex Exchanges (see Eurex Clearing Circular 012/13). MCR is an optional service which offers a Non-Clearing Member (NCMs) the possibility to enter into a Clearing Agreement with up to three Clearing Members for the clearing of Eurex Transactions. This is accomplished by allowing a Non-Clearing Members to use a maximum of three Member IDs – one primary Member ID and two additional Member IDs. A Clearing Member, in its capacity as a Non-

Clearing-Member, may also clear products through another Clearing Member in case they are not cleared by itself.

Until now, the offering was restricted with respect to a predefined MCR Product Group. In addition, it was not possible to assign one MCR Product Group to multiple clearing relationships, i.e. the trading and clearing of all products (e.g. Fixed Income Derivatives) had to be assigned to one Clearing Member.

In order to increase the porting likelihood and to decrease concentration levels, the MCR Product Group restrictions shall be removed. Thus, NCMs will be allowed to clear each product across their active clearing relationships. In addition, it will still be allowed for a Clearing Member to act as a Non-Clearing Member simultaneously in relation to products for which the CM does not offer the clearing itself. Furthermore, no changes to margin and fee calculation or member reporting is envisaged, i.e. this will still be conducted on Member ID level only.

To reflect the recommended changes, the following provisions of the Clearing Conditions shall be amended as outlined in Attachment 2:

- Chapter II Part 1 Number 1.9.2, Number 1.9.3 and Number 1.9.5
- Appendix 2, 3, 4, 5

All changes within this circular will come into effect on 9 January 2017. As of this date, 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 > Clearing Conditions

Pursuant to Chapter I, Part 1, Number 17.2.6 of the Clearing Conditions, each Affected Customer accepts each change or amendment to the Clearing Conditions, unless it objects by written notice to Eurex Clearing within the Regular Notification Period or the Prolonged Notification Period, as applicable. The rights to terminate the Clearing Agreement and Clearing Licenses according to Chapter I, Part 1, Number 2.1.4 Paragraph 2, Number 7.2.1 (4) and Number 13 of the Clearing Conditions shall remain unaffected.

Terms used and not otherwise defined in this circular shall have the meanings ascribed to them in the Clearing Conditions of Eurex Clearing AG.

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

14 December 2016

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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Appendix 1 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

between Eurex Clearing AG and a Clearing Member

As of 09.01.2017

[…]

Annex Clearing Licence and further selections

1 Clearing License

The Clearing Member shall be granted:

☐ General Clearing License for the Clearing of the following Transactions:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter III Transactions at Eurex Bonds GmbH (Eurex Bonds)
- □ Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)
- □ Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
- □ Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)
- □ Chapter IX Clearing of Securities Lending Transactions
- □ Chapter VIII Part 2 OTC Interest Rate Derivative Transactions

☐ Direct Clearing License for the Clearing of the following Transactions:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter III Transactions at Eurex Bonds GmbH (Eurex Bonds)
- □ Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)
- □ Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
- □ Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)
- □ Chapter IX Clearing of Securities Lending Transactions
- □ Chapter VIII Part 2 OTC Interest Rate Derivative Transactions

~~☐ OTC Clearing License for the Clearing of OTC Interest Rate Derivative Transactions pursuant to Chapter VIII Part 2.~~

2 Elementary Standard Agreements

For the purposes of the Elementary Clearing Model Provisions, the Applicable Allocation Method shall be the Value Based Allocation, unless the Clearing Member maintains multiple Elementary Omnibus Standard Agreements or elects the Asset Based Allocation:

□ The Asset Based Allocation shall apply.

[…]

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Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 09.01.2017

Clearing Conditions of Eurex Clearing AG

Part 1 General Clearing Provisions

1 General Rules

[…]

2 Clearing Members

2.1 Clearing License

2.1.1 Granting of Clearing License

[…]

(4) As specified in the relevant Clearing Agreement, a Clearing License is issued either as a general clearing license (a "**General Clearing License**") or a direct clearing license (a "**Direct Clearing License**"). Unless otherwise provided in the relevant Special Clearing Provisions, a~~A~~ General Clearing License entitles the holder thereof (a "**General Clearing Member**") (i) to clear Own Transactions, Customer-Related Transactions as well as NCM-Related Transactions and RC-Related Transactions or, in respect of U.S. Clearing Members, Own Transactions and, if the U.S. Clearing Member is a FCM Clearing Member, also FCM Client Transactions, and (ii) to participate in the Clearing of Basic Clearing Member Transactions as a Clearing Agent subject to further requirements as set out in the Basic Clearing Member Provisions. A Direct Clearing License entitles the holder thereof (a "**Direct Clearing Member**") to clear Own Transactions, Customer-Related Transactions, RC-Related Transactions and only those NCM-Related Transactions referring to Transactions by Non-Clearing Members, affiliated with it.

(5) A Clearing Agreement may only be entered into by a Non-Clearing Member and a Direct Clearing Member if the Non-Clearing Member is an affiliated company (as determined by Eurex Clearing AG and notified to the Clearing Members) of the Direct Clearing Member. The Non-Clearing Member and the Direct Clearing Member shall be obliged to inform Eurex Clearing AG promptly in the event that they cease to meet such prerequisites.

(6) Clearing Licenses as well as any rights and obligations resulting from a Clearing License may not be assigned or transferred by way of contractual agreement.

2.1.2 General Prerequisites for Clearing Licenses

(1) A Clearing License for a Transaction Type may only be granted to an applicant if such applicant meets the general prerequisites pursuant to Paragraphs (2) to (6) below and the special prerequisites set forth in Chapters II-IX for the relevant Transaction Type. This Number 2.1.2 shall, unless otherwise provided in Part 6 Number 2, not apply to applicants for a Basic Clearing Member Clearing License. ~~This Number 2.1.2 shall also not directly apply to applicants for a Direct Clearing License; Number 2.1.2 Paragraphs (1) to (5) of the Basic Clearing Member Provisions shall apply *mutatis mutandis* in respect of the granting of a Direct Clearing License.~~

(2) Personal prerequisites

[…]

(ff) a branch of an institution not falling within one of the categories pursuant to Paragraph (2) (a) (bb) to (dd) above, provided that (i) if either the branch or the main office of the institution is domiciled outside the EU or Switzerland, such branch or main office complies with the conditions set forth in Paragraph (2) (a) (ee) above, (ii) if either the branch or the main office of the institution is domiciled in a member state of the EU or Switzerland, such branch or main office complies with the conditions set forth in Paragraph (2) (a) (aa) above, and that (iii) the branch and the institution comply with the conditions set forth in Paragraph (2) (c) below; or

(gg) with respect to a Direct Clearing License for the clearing of Own Transactions only, an applicant that is an insurance undertaking, reinsurance undertaking, collective investment undertaking (in the case of an Unincorporated Fund, Sub-Fund or Fund Segment, acting through an Authorised Manager) as defined in Article 4 Paragraph (1) of the CRR or an institution for occupational retirement provision as defined in Article 6(a) of Directive 2003/41/EC; in each case domiciled in a member state of the EU or in Switzerland, or in a country outside of the EU and Switzerland and supervised in its country of domicile according to standards equivalent to the applicable regulatory standards of the EU as determined by Eurex Clearing AG.

(b) The license of an applicant which intends to conclude Own Transactions only does not need to cover the provision of credit to customers in relation to products cleared and/or the receipt of collateral in the form of cash or securities.

[…]

(3) The applicant for a Clearing License must

(i) if the applicant is subject to the own fund requirements under the CRD IV and CRR: have available own funds (*Eigenmittel*) pursuant to the European Capital Requirements Directive 2013/36/EU ("**CRD IV**") and the European Capital

Requirements Regulation (EU) No. 575/2013 ("**CRR**") in an amount determined by Eurex Clearing AG from time to time, ~~. Applicants not subject to the own fund requirements under the CRD IV and CRR must~~

(ii) if the applicant is not subject to the own fund requirements under the CRD IV and CRR: have available equivalent regulatory capital or

(iii) in case of an applicant pursuant to Paragraph 2(a)(gg), where Eurex Clearing AG determines that the financial resources of the applicant shall be assessed on the basis of the assets under management of the applicant (including in the case of collective investment undertakings and in the case of applicants with assets being subject to certain forms of segregation): provide evidence of a value in respect of their assets under management in an amount and frequency as determined by Eurex Clearing AG in its sole discretion from time to time.

Regulatory capital is considered equivalent when it is (i) used as a measure of adequate solvency for the applicant by its competent supervisory authority, (ii) reported to the applicant's competent supervisory authority on a regular basis and (iii) audited at least yearly.

(a) In case an applicant applies for multiple Clearing Licenses covering multiple Transaction Types, the required own funds are calculated as follows:

[…]

[…]

(d) Should an applicant have insufficient own funds, ~~or~~ equivalent regulatory capital or assets under management for a Clearing License, Eurex Clearing AG may allow that the shortfall may be made up by collateral in cash or securities accepted by Eurex Clearing AG. The cash and securities collateral shall safeguard compliance with the contractual obligations of the respective Clearing Member and with all other claims of Eurex Clearing AG vis-à-vis the respective Clearing Member in connection with the Clearing of its contracts (provision of collateral).

Securities collateral shall be posted by transfer of ownership for security purposes (*Eigentumsübertragung zu Sicherungszwecken*) into a custody account with Clearstream Banking AG (in Xemac the relevant transfer is being effected by labelling the relevant Securities with "pledge" by way of Earmarking), Clearstream Banking S.A. (also using the Triparty Collateral Management Service CmaX of Clearstream Banking S.A. ("**CmaX**")) or SIX SIS AG.

(4) The applicant (other than an applicant that intends to become a U.S. Clearing Member) shall have available the following accounts:

[…]

Part 6 Basic Clearing Member Provisions

1 Application of the Basic Clearing Member Provisions

[…]

2 Admission Criteria; Continuing Obligations

An entity may enter into a Basic Clearing Member Clearing Agreement as a Basic Clearing Member or as a Clearing Agent in accordance with the following conditions.

2.1 Basic Clearing Member

2.1.1 Granting of Clearing Licence

[…]

2.1.2 General Prerequisites for Basic Clearing Member Clearing Licenses

(1) The Basic Clearing Member must be a credit institution, financial institution, investment firm, insurance undertaking, reinsurance undertaking, collective investment undertaking (in the case of an Unincorporated Fund, Sub-Fund or Fund Segment, acting through an Authorised Manager) as defined in Article 4(1) of the CRR or an institution for occupational retirement provision as defined in Article 6(a) of Directive 2003/41/EC, in each case domiciled in a member state of the EU or in Switzerland.

(2) The Basic Clearing Member must have a technical connection to the systems of Eurex Clearing AG on the basis of the Basic Clearing Member Clearing Agreement, which shall incorporate the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG.

(3) The requirements and procedures pursuant to Part 1 Number 2.1.2 Paragraph (3) as regards ~~The Basic Clearing Member must have~~ available own funds, equivalent regulatory capital and assets under management shall likewise apply to a Basic Clearing Member, ~~and provide evidence thereof in accordance with the requirements and procedures for Clearing Members set out in Part 1 Number 2.1.2 Paragraph (3),~~ except that Part 1 Number 2.1.2 Paragraph (3) (d) shall not apply. If the own funds of the Basic Clearing Member fall below the minimum amount so required by Eurex Clearing AG from time to time, Eurex Clearing AG shall be entitled to require the Basic Clearing Member to provide Supplementary Margin; for the avoidance of doubt, non-compliance by the Basic Clearing Member with such requirement to provide Supplementary Margin shall constitute a Basic Clearing Member Termination Event. It is in Eurex Clearing AG's discretion to permit (or not permit) shortfalls in own funds, equivalent regulatory capital or the value of the

assets under management, as applicable, to be made up, or continue to be made up, by Supplementary Margin.

~~(4) Applicants not subject to own fund requirements under the CRD IV and the CRR must (i) have available equivalent regulatory capital and provide evidence thereof in accordance with the requirements and procedures for Clearing Members set out in Part 1 Number 2.1.2 Paragraph (3) (except that Part 1 Number 2.1.2 Paragraph (3) lit. (d) shall not apply) or (ii) where Eurex Clearing AG determines that the financial resources of the applicant shall be assessed on the basis of the assets under management of the applicant (including in the case of collective investment undertakings and in the case of applicants with assets being subject to certain forms of segregation), provide evidence of a value in respect of their assets under management in an amount and frequency as determined by Eurex Clearing AG in its sole discretion from time to time. If the equivalent regulatory capital or the value of the assets under management, as applicable, falls below the minimum value so required by Eurex Clearing AG from time to time, Eurex Clearing AG shall be entitled to require the Basic Clearing Member to provide Supplementary Margin; for the avoidance of doubt, non-compliance by the Basic Clearing Member with such requirement to provide Supplementary Margin shall constitute a Basic Clearing Member Termination Event. It is in Eurex Clearing AG's discretion to permit (or not permit) shortfalls below the minimum value to be made up, or continue to be made up, by Supplementary Margin.~~

(~~5~~4) Eurex Clearing AG must have conducted a positive internal assessment of the creditworthiness of the Basic Clearing Member prior to its admission and at least annually thereafter in accordance with the procedures and criteria defined for Clearing Members in Part 1 Number 1.6. The Basic Clearing Member is obliged to provide the data relevant to perform the respective assessments upon request of Eurex Clearing AG. Eurex Clearing AG determines dedicated thresholds or limits for each of the monitored risks. The Basic Clearing Member is required to comply with these thresholds and limits at all times.

(~~6~~5) The Basic Clearing Member must, upon admission and at all times thereafter, have a General Clearing Member appointed to act as its Clearing Agent in accordance with a Basic Clearing Member Clearing Agreement and such Clearing Agent must satisfy all requirements with respect to a Clearing Agent stipulated in these Clearing Conditions.

2.1.3 Rejection and Termination of Basic Clearing Member Clearing Licenses

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Chapter VIII of the Clearing Conditions of Eurex Clearing AG

Clearing of OTC Derivative Transactions

As of 09.01.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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Preamble

This Chapter VIII forms an integral part of the Clearing Conditions of Eurex Clearing AG and respective references in other rules or documents to the Clearing Conditions shall also apply to this Chapter VIII.

In accordance with Chapter I Part 2 Number 2.1.1, Chapter I together with this Chapter VIII and all references to other Chapters or Annexes of the Clearing Conditions shall apply for all Clearing Members (including FCM Clearing Members) with a respective Clearing License, their Non-Clearing Members, Registered Customers, ICM Clients and FCM Clients as well as all Interim Participants (if applicable).

Part 1 General Provisions

[…]

1.1.1 Granting of the Clearing License

In order to participate in the Clearing of OTC Derivative Transactions, a clearing license for the relevant Transaction Types is required (each an "**OTC Clearing License**"). The OTC Clearing License may be granted by Eurex Clearing AG upon written application. Each OTC Clearing License may be restricted to certain product groups within the scope of a Transaction Type if this is provided for in respect of such OTC Clearing License. Notwithstanding Chapter I Part 1 Number 2.1.1 Paragraph (4), an OTC Clearing License, as regulated in more detail in the respective Clearing Agreement, will be exclusively issued as a

(i) General Clearing License which entitles its holder to clear Own Transactions, Customer-Related Transactions and RC-Related Transactions (all as defined in Chapter I Part 1 Number 1.2.3) or, in respect of U.S. Clearing Members, Own Transactions and, if the U.S. Clearing Member is a FCM Clearing Member, also FCM Client Transactions or

(ii) Direct Clearing License which entitles its holder to clear Own Transactions only.

1.1.2 Prerequisites of the Clearing License

The prerequisites to be fulfilled for the granting of an OTC Clearing License are set out in Part 2 of this Chapter VIII for each relevant Transaction Type (as defined in Chapter I Part 1 Number 1.1.2).

[…]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[…]

2.1.3 License for the Clearing of OTC Interest Rate Derivative Transactions

The OTC Clearing License granted for the Clearing of OTC Interest Rate Derivative Transactions (the "**Interest Rate Derivatives Clearing License**") entitles the relevant Clearing Member to clear OTC Interest Rate Derivative Transactions that (i) are Own Transactions, RC-Related Transactions, Customer-Related Transactions or FCM Client Transactions (in respect of which the Clearing Member act as FCM Clearing Member)

under the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the Net Omnibus Clearing Model Provisions or the U.S. Clearing Model Provisions, as applicable, and (ii) the currency of which is Euro (EUR), US-Dollar (USD), Pound Sterling (GBP), Swiss Franc (CHF) or Japanese Yen (JPY). Where the Clearing Member is a Direct Clearing Member the Interest Rate Derivatives Clearing License entitles it to clear OTC Interest Rate Derivative Transactions that (i) are Own Transactions under the Elementary Clearing Model Provisions and (ii) the currency of which is Euro (EUR), US-Dollar (USD), Pound Sterling (GBP), Swiss Franc (CHF) or Japanese Yen (JPY). Without prejudice to Number 2.1.2.1 Paragraph (3), the relevant Clearing Member may elect that the Interest Rate Derivatives Clearing License shall be restricted to the Clearing of OTC Interest Rate Derivative Transactions in only some or one of these five currencies.

The owner of an Interest Rate Derivatives Clearing License may additionally clear zero coupon inflation swaps ("**ZCIS**") if the following requirements are met:

(a) The relevant Clearing Member has elected whether to clear ZCIS on the indexes HICPxT and FRCPI (EUR inflation), whereas for EUR inflation it is not possible to elect only one of the two inflation indexes but only both together, and/or on the UK-RPI index (GBP inflation); and

(b) The OTC Clearing License of the Clearing Member covers the currencies elected for the clearing of ZCIS.

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Appendix 2 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the Elementary Clearing Model

As of 09.01.2017

[…]

Annex A to the Clearing Agreement: Transaction Types included in the Clearing, Close-Out Netting

The Non-Clearing Member/Registered Customer shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

☐ Registered Customer for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions.

☐ Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter III Transactions at Eurex Bonds GmbH (Eurex Bonds)
- □ Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)
- □ Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
- □ Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)

~~☐ In case the Non-Clearing Member decides to assign the Clearing of Eurex Transactions to more than one Clearing Member in accordance with Chapter II Part 1 Number 1.9 (Multiple Clearing Relationships), this Agreement allows for the Clearing of the following MCR-Product Groups:~~

- ~~□ Equity & Index Products~~
- ~~□ Fixed Income Products~~
- ~~□ Interest Rate Swap Futures Products~~
- ~~□ International CBF-settled Products~~
- ~~□ UK & Irish Products~~
- ~~□ KOSPI Products~~
- ~~□ TAIFEX Products~~
- ~~□ FX Products~~
- ~~□ Variance Futures Products~~
- ~~□ GMEX IRS Constant Maturity Futures~~

[…]

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Appendix 3 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation

As of 09.01.2017

[…]

Annex A to the Clearing Agreement: Transaction Types included in the Clearing, Direct Segregated Margin Transfer and Retransfer

1 Transaction Types included in the Clearing

The ICM Client shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

☐ Registered Customer for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions

☐ Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter III Transactions at Eurex Bonds GmbH (Eurex Bonds)
- □ Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)
- □ Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
- □ Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)

~~☐ In case the Non-Clearing Member decides to assign the Clearing of Eurex Transactions to more than one Clearing Member in accordance with Chapter II Part 1 Number 1.9 (Multiple Clearing Relationships), this Agreement allows for the Clearing of the following MCR-Product Groups:~~

- ~~□ Equity & Index Products~~
- ~~□ Fixed Income Products~~
- ~~□ Interest Rate Swap Futures Products~~
- ~~□ International CBF-settled Products~~
- ~~□ UK & Irish Products~~
- ~~□ KOSPI Products~~
- ~~□ TAIFEX Products~~
- ~~□ FX Products~~
- ~~□ Variance Futures Products~~
- ~~□ GMEX IRS Constant Maturity Futures~~

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Appendix 4 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Client Clearing Documentation

As of 09.01.2017

[…]

Annex A to the Clearing Agreement: Details of Client Clearing Agreement, Transaction Types included in the Clearing, Direct Segregated Margin Transfer and Retransfer

[…]

2 Transaction Types included in the Clearing

[…]

☐ Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter III Transactions at Eurex Bonds GmbH (Eurex Bonds)
- □ Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)
- □ Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
- □ Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)

~~☐ In case the Non-Clearing Member decides to assign the Clearing of Eurex Transactions to more than one Clearing Member in accordance with Chapter II Part 1 Number 1.9 (Multiple Clearing Relationships), this Agreement allows for the Clearing of the following MCR-Product Groups:~~

- ~~□ Equity & Index Products~~
- ~~□ Fixed Income Products~~
- ~~□ Interest Rate Swap Futures Products~~
- ~~□ International CBF-settled Products~~
- ~~□ UK & Irish Products~~
- ~~□ KOSPI Products~~
- ~~□ TAIFEX Products~~
- ~~□ FX Products~~
- ~~□ Variance Futures Products~~
- ~~□ GMEX IRS Constant Maturity Futures~~

[…]

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Appendix 5 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Net Omnibus Non-Clearing Member and/or Net Omnibus Registered Customer for the Net Omnibus Clearing Model

As of 09.01.2017

[…]

Annex A to the Clearing Agreement: Transaction Types included in the Clearing

The Net Omnibus Non-Clearing Member/Net Omnibus Registered Customer shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

☐ Net Omnibus Registered Customer for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions.

☐ Net Omnibus Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

~~☐ In case the Net Omnibus Non-Clearing Member decides to assign the Clearing of Eurex Transactions to more than one Clearing Member in accordance with Chapter II Part 1 Number 1.9 (Multiple Clearing Relationships), this Agreement allows for the Clearing of the following MCR-Product Groups:~~

~~□ Equity & Index Products~~

~~□ Fixed Income Products~~

~~□ Interest Rate Swap Futures Products~~

~~□ International CBF-settled Products~~

~~□ UK & Irish Products~~

~~□ KOSPI Products~~

~~□ TAIFEX Products~~

~~□ FX Products~~

~~□ Variance Futures Products~~

~~□ GMEX IRS Constant Maturity Futures~~

[…]

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Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 09.01.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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Part 1 General Provisions

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1.9 Multiple Clearing Relationships

1.9.1 General rules

A Non-Clearing Member may assign the clearing of Eurex Transactions to several but not more than three Clearing Members by entering into a separate Clearing Agreement with each such Clearing Member. In this case, the provisions on the replacement of the Clearing Member (Chapter I Part 2 Number 9, Part 3 Subpart A Number 13 or Part 4 Number 9), on the non-fulfilment of duties of a Non-Clearing Member (Chapter I Part 1 Number 10), other agreements concluded between Clearing Members and Non-Clearing Members relating to the clearing of Eurex Transactions (Chapter I Part 1 Number 12) as well as on the termination of the Clearing Agreement (Chapter I Part 1 Number 13) shall apply only insofar as the respective Clearing Agreement is affected.

~~**1.9.2 MCR-Product Groups**~~

~~(1) The types of Eurex Transactions eligible to be cleared under a particular Clearing Agreement are determined on the basis of specific product groups as defined by Eurex Clearing AG and published from time to time in accordance with Chapter I Part 1 Number 16.1 (each a "**MCR-Product Group**").~~

~~(2) If a Non-Clearing Member decides to assign the clearing of Eurex Transactions to more than one Clearing Member, the Non-Clearing Member must select the MCR-Product Groups to be cleared in each Clearing Agreement. One particular MCR-Product Group can only be assigned to one Clearing Member exclusively. The clearing of Eurex Transactions of the same MCR-Product Group via different Clearing Members is not permitted. A Non-Clearing Member and a Clearing Member may also agree to enter into a Clearing Agreement without specifying an MCR-Product Group to be cleared.~~

~~**1.9.3 Re-assignment of MCR-Product Groups**~~

~~(1) Other than in the case of a Clearing Member default, the re-assignment of an MCR-Product Group from one Clearing Member to another is only permissible upon three months prior notice by the Non-Clearing Member to Eurex Clearing AG. The reassignment becomes effective upon (i) the re-allocation of the respective MCR-Product Group in the Clearing Agreements between the Non-Clearing Member and the affected Clearing Members by way of a change of contract and (ii) the transfer of any existing Transactions belonging to the relevant MCR-Product Group to the new Clearing Member on the basis of a Transfer Agreement as published by Eurex Clearing AG on the Eurex Clearing AG website (www.eurexclearing.com). The termination right pursuant to Chapter I Part 1 Numbers 13.2 and 13.3 remains unaffected.~~

~~(2) In the case of a default of a Clearing Member, the re-assignment of an MCR-Product Group from the defaulting Clearing Member to another Clearing Member does not require three months prior notice by the Non-Clearing Member to Eurex Clearing AG. A Clearing Member is not obliged to assume the clearing of MCR-Product Groups or to take over Eurex Transactions from a defaulting Clearing Member.~~

~~1.9.4~~1.9.2 Information provided by Eurex Clearing AG

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~~1.9.5~~1.9.3 Clearing Members acting as Non-Clearing Members

A Clearing Member may enter into Clearing Agreements as a Non-Clearing Member with one or two other Clearing Members in respect of Eurex transactions (as defined in Chapter I Part 1 Number 1.1.2) ~~in respect of MCR-Product Groups~~ not cleared by itself. In this case the rules applicable to Non-Clearing Members shall apply accordingly.

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