

clear to trade



## eurex clearing *circular 031/14*

**Date:** 14 March 2014  
**Recipients:** All Clearing Members, Non-Clearing Members or Registered Customers of Eurex Clearing AG and Vendors  
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### Changes and enhancements in the pricing model for OTC IRS derivatives transactions

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**Content may be most important for:**

➔ All departments

**Attachment:**

Updated sections of the Price List for Eurex Clearing AG

**Summary:**

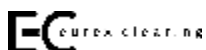
Eurex Clearing has decided to enhance the pricing model and rebate scheme for OTC Interest Rate Swaps (IRS) derivatives transactions. The new model will come into effect on **1 May 2014**.

Main changes are:

- Introduction of a rebate scheme for the Standard Fee Model for Registered Customers
- Introduction of Flat Fee Packages for Clearing Members

This circular provides a brief description of

- the changes and enhancements in the pricing model,
- the enhancements in the relevant reports CB182 and CB185.



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**Changes and enhancements in the pricing model for OTC IRS derivatives transactions**

Eurex Clearing has decided to enhance the pricing model and the rebate scheme for OTC Interest Rate Swaps (IRS) derivatives transactions. The new model will come into effect on 1 May 2014.

Main changes are:

- Introduction of a rebate scheme for the Standard Fee Model for Registered Customers
- Introduction of Flat Fee Packages for Clearing Members

The changes to be made are described below.

**1. Changes in the pricing model**

**1.1 Enhancements for the Standard Pricing Model - rebate scheme for Registered Customers**

The standard pricing model has been enhanced by additional rebate schemes applied to the booking fee and maintenance fee. These rebate schemes are applicable only to Registered Customers. Own accounts and Agent Accounts of the Clearing Members are not eligible for the rebate schemes.

**Rebate scheme for the booking fee:**

Thresholds for the cumulative cleared notional (billion euro)	Rebate applied to the booking fee calculated based on the Standard Pricing Model
cleared notional $\leq$ 240	0%
240 $\leq$ cleared notional $\leq$ 720	15%
720 $\leq$ cleared notional $\leq$ 1,500	25%
1.500 $\leq$ cleared notional	35%

**Rebate scheme for the maintenance fee:**

Thresholds for the outstanding notional at the end of the month (billion euro)	Rebate applied to the maintenance fee calculated based on the Standard Pricing Model
Outstanding notional $\leq$ 240	0%
240 $\leq$ outstanding notional $\leq$ 720	15%
720 $\leq$ outstanding notional $\leq$ 1,500	25%
1.500 $\leq$ outstanding notional	35%

**1.2 New rebate scheme for Clearing Members' own accounts**

The rebate model for the Clearing Members' own accounts has been replaced by a new rebate scheme shown in the table below. Members will have to pay the annual fixed fee of the chosen pack in twelve equally divided instalments, payable in advance at the beginning of each month for the following twelve months.

	Gold pack	Silver pack	Bronze pack
Fixed fee (million euro) per annum per pack	2.75	1.75	0.75
Threshold: cumulative cleared notional (billion euro)	n.a.	2,000	200
Fee rebate based on the standard fee model (above threshold)	100%	75%	75%

Clearing Members and Registered Customers may select the rebate model via the forms “EurexOTC Clear Interest Rate Derivative Static Data Form for Clearing Member (Production)” or “EurexOTC Clear Interest Rate Derivative Static Data Form for Registered Customer (Production)”. Under consideration of a processing time of one month, they may change to the rebate scheme or vice versa.

## 2. Report enhancements

The changes in the pricing model result in some enhancements in the reports CB182 and CB185. The table below describes these enhancements in brief:

No.	Field name	Field description	Change	Comment	Report affected
1.	prodLngNam	Product name	removed	This field will be available only in the XML file. It will not be available in the TXT file.	CB182, CB185
2.	ecbExchRat	Exchange rate	added	--	CB182, CB185
3.	modelTyp	Model type	added	--	CB182 only
4.	rebLevlInPerc	Rebate level in percentage	added	--	CB182 only
5.	dayMat	Days to maturity	added	This refers to the number of days between (i) maturity date and (ii) novation date or effective/start date - whichever date is later.	CB182, CB185
6.	ytMClearedNot	Year-to-month cleared notional	added	--	CB182 only

Detailed information on all reports is contained in the updated document “XML Report Reference Manual“, which is available on the Eurex website [www.eurexchange.com](http://www.eurexchange.com) under the link:

**Technology > Eurex Exchange’s T7 > System documentation > Release 2.0 > Eurex Reports > Eurex XML Reports - Reference Manual**

For any questions you may have, please contact Member Services & Admission at tel. +49-69-211-1 17 00 or e-mail: [memberservices@eurexclearing.com](mailto:memberservices@eurexclearing.com).

14 March 2014

**Price List for Eurex Clearing AG**

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

## Preamble

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## 12. Transaction Fees for OTC Interest Rate Derivative Transactions

[...]

### 12.1 Clearing Fees

[...]

### 12.2 Standard Pricing Model

[...]

#### 12.2.1 Booking fee per OTC Interest Rate Derivative Transaction

[...]

(5) For the novation of the Bulk Backloaded Original OTC Transactions pursuant to Chapter VIII Part 3 Number 3.1.4.5 of the Clearing Conditions, ECAG shall charge the respective Clearing Member a percentage of the originally calculated OTC Interest Rate Derivative Booking Fee for the relevant OTC Interest Rate Derivative Transaction. Such percentage is currently equal to 30%.

#### 12.2.2 Rebate scheme on the OTC Interest Rate Derivative Booking Fee for Registered Customers

(1) A Registered Customer shall receive a rebate on the booking fee calculated based on standard pricing model, if the member exceeds certain threshold of the cumulated cleared notional as shown in the following table.

(2) These thresholds are defined for the cumulated cleared notional at the end of the month. Own accounts (P-Accounts and M-Accounts) and customer accounts (A-Accounts) of the Clearing Members are not eligible for this rebate scheme.

(3) The calculation of the cumulated cleared notional is based on a 12-months-period starting on the day ECAG granted the Clearing Member access to the rebate scheme and ending with the expiration of the 12th month following the starting day.

(4) The rebate shall be calculated at the end of each month and be granted per trade in the trade currency of the product.

**Price List for Eurex Clearing AG**

<u>Thresholds for the cumulated cleared notional (billion Euro)</u>	<u>Rebate applied to the booking fee calculated based on the standard pricing model</u>
<u>cleared notional <math>\leq</math> 240</u>	<u>0%</u>
<u>240 <math>\leq</math> cleared notional <math>\leq</math> 720</u>	<u>15%</u>
<u>720 <math>\leq</math> cleared notional <math>\leq</math> 1,500</u>	<u>25%</u>
<u>1,500 <math>\leq</math> cleared notional</u>	<u>35%</u>

**12.2.3 Maintenance fee**

[...]

**12.2.4 Rebate scheme on the maintenance fee for Registered Customers**

- (1) A Registered Customer shall receive a rebate on the maintenance fee calculated based on the standard pricing model if the member exceeds certain thresholds of the outstanding notional as shown in the following table.
- (2) The defined thresholds are for the outstanding notional at the end of each month. Own accounts (P-Accounts and M-Accounts) and customer accounts (A-Accounts) of a Clearing Member are not eligible for this rebate scheme.
- (3) The rebate shall be calculated at the end of each month and be granted per trade in the trade currency of the product.

<u>Thresholds for the outstanding notional at the end of the month (billion Euro)</u>	<u>Rebate applied to the maintenance fee calculated based on the standard pricing model</u>
<u>Outstanding notional <math>\leq</math> 240</u>	<u>0%</u>
<u>240 <math>\leq</math> outstanding notional <math>\leq</math> 720</u>	<u>15%</u>
<u>720 <math>\leq</math> outstanding notional <math>\leq</math> 1,500</u>	<u>25%</u>
<u>1,500 <math>\leq</math> outstanding notional</u>	<u>35%</u>

## 12.3 High Turnover Pricing Model for Registered Customers

[...]

### 12.3.1 Booking fee

(1) [...]

Booking Fix Fee per million OTC Interest Rate Derivative Transaction Notional Amount in Trade Currency	Booking fee floor per OTC Interest Rate Derivative Transaction	Minimum Maximum Booking Fee (CAP) per OTC Interest Rate Derivative Transaction
EUR 0.100 (in case the relevant Trade Currency is not Euro, the same amount (0.100) shall be applied in the relevant Trade Currency without currency conversion)	EUR 10.00	EUR 30.00 (if the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank)

[...]

[...]

## 12.5 Rebate Scheme for Clearing Members' Internal Own Accounts

[...]

(1) ECAG will grant Clearing Members access to the rebate scheme exclusively upon request. The receipt of such request will initiate a one-month processing period. The participation of the relevant Clearing Member in the rebate scheme will begin on the first calendar day of the calendar month following such processing period. Upon receipt of such request, ECAG will invoice the respective Clearing Member a corresponding annual fixed fee in 12 equally divided instalments of EUR 300,000.00, payable in advance for each month of the rebate scheme at the beginning of each following month. for the following 12 months. In addition, the receipt of such request will trigger a one month processing period. The participation of the relevant Clearing Member in the rebate scheme will begin on the first calendar day of the calendar month following such processing period, subject to the receipt by ECAG of the invoiced annual fee at the latest on the last Business Day of the calendar month in which the participation is scheduled to begin. The rebates (as specified below) are exclusively applicable based onto the gross cumulativecumulated turnover cleared notional in relation to OTC Interest Rate Derivative Transactions (Chapter VIII Part 3 of the Clearing Conditions)Notional Amount Transactions (Chapter VIII Part 3 of the Clearing Conditions)-that have been booked on Own Accounts of a Clearing Member and are applicable to the booking fee calculated based on the standard pricing model.

**Price List for Eurex Clearing AG**

(2) The gross cumulative cumulated turnover cleared notional calculation is based on a 12-months-period starting on the day ECAG granted the Clearing Member access to the rebate scheme and ending with the expiration of the 12th month following the starting day. The access of the relevant Clearing Member to the rebate scheme shall be automatically extended to another 12 months, unless the relevant Clearing Member has terminated its participation in the rebate scheme with a notice period of one month prior to the end of the relevant 12-months-period. When calculating the applicable rebates the gross cumulative cumulated cleared notional turnover (since the beginning of the 12-months-period), including the booking fee pursuant to Number 12.3.1 and the maintenance fee pursuant to Number 12.3.2, is taken into account. The calculation of the respective gross cumulative cumulated cleared notional turnover shall be made in Euro. Notional Turnovers in other currencies shall be converted to Euro based on the last exchange rate of the European Central Bank for the relevant calendar month. The rebates will be granted per trade in the trade currency of the product. Once the clearing member exceeds the cumulated cleared notional threshold, corresponding to the chosen rebate pack, the rebate on the booking fee calculated based on the standard pricing model will be applied till end of the respective one year period.

	<b>Gold pack</b>	<b>Silver pack</b>	<b>Bronze pack</b>
<u>Fixed fee (million euro) per annum per pack</u>	<u>2.75</u>	<u>1.75</u>	<u>0.75</u>
<u>Threshold: cumulated cleared notional (billion euro)</u>	<u>n.a.</u>	<u>2,000</u>	<u>200</u>
<u>Rebate in % on the fee calculated based on the standard fee model (above threshold)</u>	<u>100%</u>	<u>75%</u>	<u>75%</u>

<b>Gross turnover year to date in EUR (including booking fee pursuant to Number 12.3.1 and maintenance fee pursuant to Number (2))</b>	<b>Rebate in % applied to the respective interval</b>
≤ 200,000	0 %
200,000.01 ≤ 500,000	10 %
500,000.01 ≤ 1,000,000	20 %
1,000,000.01 ≤ 2,000,000	30 %
2,000,000.01 ≤ 3,000,000	50 %
3,000,000.01 ≤ 5,000,000	75 %
5,000,000.01 ≤ 6,000,000	90 %
6,000,000.01	100 %

[...]