clear to trade

eurex clearing *circular 030/16*

Date: 4 March 2016
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Amendments to the Clearing Conditions and other related documents of Eurex Clearing AG

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Content may be most important for:	**Attachments:**
➲ All departments	1.-2. Updated sections of the Clearing Conditions of Eurex Clearing AG 3. Updated sections of the Price List 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) and other related documents regarding the following topics:

1. Lending CCP: Extension to securities denominated in British pound
2. Lending CCP: Extension of Principal Collateral mark-up/mark-down range
3. Amendment of the Price List of Eurex Clearing AG with regard to Eurex Repo's minimum transaction fee in British pound

The amended sections of the Clearing Conditions and other related documents, as decided by the Executive Board of Eurex Clearing AG, are attached to this circular.

The planned changes will come into effect on **4 April 2016**.

Amendments to the Clearing Conditions and other related documents of Eurex Clearing AG

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) and other related documents regarding the following topics:

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1. Lending CCP: Extension to securities denominated in British pound

Eurex Clearing is planning to provide clearing services for loan securities – mainly bonds (e.g. UK Gilts) – denominated in British pound (GBP) within the Lending CCP. For those Clearing Members who intend to clear transactions denominated in GBP via the Lending CCP, GBP cash accounts will be required for admission. GBP cash accounts must be bank cash accounts with a bank recognised by Eurex Clearing AG or alternatively a multicurrency cash account with:

- Clearstream Banking AG (CBF), including a CBF(I) account, and/or
- Clearstream Banking S.A., or
- Euroclear Bank SA/NV.

For existing Clearing Members the dedicated multicurrency account will be used. If a change of the account is required please contact your dedicated Eurex Clearing Key Account Manager.

To reflect the changes, the following provisions in the Clearing Conditions will be amended:

- Chapter IX Part 1 Number 1.1.2
- Chapter IX Part 1 Number 1.1.3

2. Lending CCP: Extension of Principal Collateral mark-up/mark-down range

With the start of the Lending CCP, the Principal Collateral mark-up/mark-down range based on the value of the loan securities was fixed between 90 percent and 110 percent.

Eurex Clearing will update this range to accommodate values between 70 percent and 120 percent according to market practice.

To reflect the changes, the following provisions of the Clearing Conditions will be amended:

- Chapter IX Part 2 Number 2.3.1

3. Amendment of the Price List of Eurex Clearing AG with regard to Eurex Repo's minimum transaction fee in British pound

The introduction of UK Treasuries in the Special/GC Segment at Eurex Repo GmbH requires the amendment of the Price List of Eurex Clearing AG (Price List) with regard to the minimum transaction fee which will be set to GBP 8.00.

To reflect the recommended changes, the following section of the Price List will be amended:

- Number 5

As of the effective date 4 April 2016, the full updated Clearing Conditions and Price List will be published on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations

Pursuant to Chapter I Part 1 Number 17.2.3 of the Clearing Conditions, the changes and amendments to the Clearing Conditions communicated with this circular are deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer unless it objects in writing to Eurex Clearing AG before the end of the Business Day prior to the actual effective date of such change and amendment of the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License according to Chapter I Part 1 Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions remains unaffected.

Pursuant to Number 14 Paragraph 3 of the Price List, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing AG within ten (10) business days after publication.

If you have any questions or require further information, please contact your Key Account Manager at Eurex Clearing.

4 March 2016

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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Chapter IX Clearing of Securities Lending Transactions

[...]

Part 1 General Provisions

[…]

1.1.2 Prerequisites of Clearing Licenses

[…]

(b) (i) cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) or the cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) and in addition a bank cash account in USD and GBP with a bank recognised by Eurex Clearing AG for cash payments in USD and GBP or (ii) alternatively for cash payments in GBP a multicurrency cash account with

– Clearstream Banking AG ("**CBF**"), including a CBF(I) account, and/or

– Clearstream Banking S.A., or

– Euroclear Bank SA/NV;

[…]

[...]

1.1.3 Specific Lender License

[…]

(c) (i) cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) or cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) and in addition a bank cash account in USD and GBP with a bank recognised by Eurex Clearing AG for cash payments in USD and GBP or (ii) alternatively a multicurrency cash account with

– Clearstream Banking AG ("**CBF**"), including a CBF(I) account, and/or

– Clearstream Banking S.A., or

– Euroclear Bank SA/NV;

(either accounts opened in the name of the applicant or accounts opened in the name of an Agent Lender for the account of the applicant);

[...]

[...]

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Chapter IX Clearing of Securities Lending Transactions

[...]

Part 1 General Provisions

[…]

2.3.1 Initial Delivery of Principal Collateral

On the Value Date, the Borrower shall transfer Eligible Principal Collateral Assets to the Lender in accordance with Number 2.1.5 Paragraph (1) or, in the case of an initial delivery of Principal Collateral by Eurex Clearing AG to a Lender Clearing Member, in accordance with Number 2.1.5 Paragraph (1) or (2), as applicable, in an amount equal to the initial principal exposure determined by Eurex Clearing AG by using the Market Value (as defined in 2.3.2 Paragraph (4) below) of the Loaned Assets as of the previous Business Day (the "**Initial Principal Collateral**"). For the purpose of determining the initial principal exposure and to the extent the rules of the Third Party Flow Provider so provide, the Loan Information may provide for a mark-up percentage to be applied, which must not be less than ~~90~~ 70 per cent. and must not be more than ~~110~~ 120 per cent. (the "**Mark-Up Percentage**").

[...]

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[…]

5. Transaction Fees of Eurex Repo GmbH

For transactions pursuant to Chapter I, Part 1 Number 5.1 of the Clearing Conditions in connection with sale and Repurchase Agreements (Repo Transactions) on Eurex Repo GmbH pursuant to Chapter IV Number 2.1 of the Clearing Conditions ("Eurex Repo Transactions"), ECAG shall charge fees for the Settlement of Repo Transactions and Positions:

	Transaction fee ** for all Repo Transactions with the exception of GC Pooling Select	**Transaction fee ** for GC Pooling Select Repo-Transactions**
Clearing Member*	0.0035% p.a. Minimum fee *** EUR 10.00, CHF 12.00, GBP 8.00 or USD 14.00 respectively	0.0070% p.a. Minimum fee*** EUR 10.00, CHF 12.00, GBP 8.00 or USD 14.00 respectively
Specific Repo License Holder	n.a.	0.0000

* GCM, DCM, NCM

** In relation to the purchase price of the Front-Leg and the period of time between the starting date for theFront-Leg (inclusive) and the end date for the Term-Leg of the respective Repo Transaction (exclusive), such calculation being made on the basis of Act/360

*** Per concluded transaction, depending on the currency of the underlying Repo transaction

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