



eurex clearing circular 117/15

Date: 9 October 2015
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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Changes in Eurex Clearing AG's admission criteria – Access Policy

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Content may be most important for:

☞ All departments

Attachment:

Updated sections of the Clearing Conditions for Eurex Clearing AG

Summary:

This circular contains information with respect to amendments to the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) in the context of changes regarding Eurex Clearing's admission criteria in the following areas:

1. Broadening of the scope of potential applicants for governmental entities and supranational organisations
2. Alignment of rating requirements for governmental entities and supranational organisations

The amendments will come into effect on **2 November 2015**.

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

Changes in Eurex Clearing AG's admission criteria – Access Policy

This circular contains information with respect to amendments to the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) in the context of changes regarding Eurex Clearing's admission criteria in the following areas:

1. Broadening of the scope of potential applicants for governmental entities and supranational organisations
2. Alignment of rating requirements for governmental entities and supranational organisations

The amendments related to all topics will come into effect on 2 November 2015.

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

1. Broadening of the scope of potential applicants for governmental entities and supranational organizations

Currently, the Clearing Conditions define a narrow scope of governmental entities and supranational organisations which may be admitted as Clearing Members under modified conditions. In order to have a basis for the admission of institutions that are currently not covered in the provisions of the Clearing Conditions as potential applicants, the current scope of the Clearing Conditions will be broadened. This scope is broadened by allowing the admission of public sector entities within the meaning of Article 4 Paragraph 1 Number 8 of the European Capital Requirements Regulation (CRR), and comparable entities.

In contrast to governmental entities and supranational organisations that are already admitted today, such entities will not be permitted to apply for exemptions with regards to margin payments and/or Clearing Fund contribution.

Provisions in the following parts of the Clearing Conditions will be amended:

- Chapter I Part 1 Number 2.1.3 Paragraphs (1) and (2)

2. Alignment of rating requirements for governmental entities and supranational organisations

For certain governmental entities and supranational organisations, Eurex Clearing may grant risk-relevant exemptions upon request, namely the exemption from paying contributions to the Clearing Fund and the exemption from paying margin for specific transaction types.

It is presupposed that each applicant exhibits a certain rating by Standard & Poor's. However, currently different rating requirements exist within the Clearing Conditions for different (legal) types of entities.

This shall be removed by aligning the rating requirements which need to be fulfilled and which are a prerequisite to apply for risk-relevant exemptions. Applicants will have to exhibit a creditworthiness determined on the basis of Eurex Clearing internal assessment which corresponds to at least a rating of A by Standard & Poor's.

Any exemption will still be granted upon the sole risk assessment of Eurex Clearing and with the option of revoking such exemption at any time.

Provisions in the following parts of the Clearing Conditions will be amended:

- Chapter I Part 1 Number 2.1.3 Paragraphs (3) and (4)

The amended sections of the Clearing Conditions are attached to this circular.

All changes within this circular will come into effect on 2 November 2015. 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 17.2.3 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 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.

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

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CHAPTER I IS BEING ADJUSTED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED.

DELETIONS ARE CROSSED OUT.

Chapter I General Provisions

[...]

Part 1 General Clearing Provisions

[...]

2.1.3 Prerequisites for Governmental Entities and Supranational Organisations

- (1) Upon request and upon the sole risk assessment of Eurex Clearing AG, certain governmental entities and supranational organisations may be admitted as Clearing Members under modified conditions. These are:
- (a) the member countries of the EU and Switzerland as well as other non-EU countries, their central governments, regional governments and ministries, as well as their legally dependent special funds;
 - (b) the central banks of the countries named under (a);
 - (c) the European Central Bank, ~~the European Financial Stability Facility, the European Stability Mechanism and the Bank for International Settlement;~~
 - (d) ~~multilateral development banks within the meaning of Article 117 of the CRR, including the Kreditanstalt für Wiederaufbau (KfW);~~
 - (e) and international organisations within the meaning of Articles 117 and 118 of the CRR, including the Kreditanstalt für Wiederaufbau (KfW); ~~and~~
 - (fd) legally independent institutions and companies which are commissioned with or responsible for the management of assets or liabilities of one of the countries named under (a); and-
 - (e) public sector entities within the meaning of Article 4 Paragraph 1 Number 8 of the CRR and comparable institutions.

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- (2) Applicants within the meaning of Paragraph (1) are required to fulfil the general prerequisites set out in Number 2.1.2 Paragraphs (3) to (6) and the special prerequisites for the relevant Transaction Type, unless they have been exempted in whole or in part from the fulfilment of these prerequisites by Eurex Clearing AG. ~~In particular, a~~

Applicants within the meaning of Paragraph (1) (a) to (d) may in particular be exempted from the requirement to:

- (a) have available own funds pursuant to Number 2.1.2 Paragraph (3);
- (b) have available Securities Accounts pursuant to Number 2.1.2 Paragraph (4);
- (c) pay Contributions to the Clearing Fund pursuant to Number 2.1.2 Paragraph (5) (d);
- (d) meet Margin Requirements pursuant to Number 3 for specific Transaction Types; and/or to
- (e) participate in DM Auctions pursuant to Number 7.5.3 in connection with the DM Auction Rules.

Applicants within the meaning of Paragraph (1)(e) may only be exempted from the requirements mentioned in (a), (b) and (e).

Applicants within the meaning of Paragraph (1) are exempt from the requirement to participate in a Default Management Committee pursuant to Number 7.5 unless they apply for participation and meet the participation requirements pursuant to Number 7.5 in connection with the DMC Rules.

- (3) Any exemption pursuant to Paragraph (2) will be granted only upon request and upon the sole risk assessment of Eurex Clearing with the option of revoking such exemption at any time. An exemption from the requirements mentioned in Paragraph (2)(c) and (d) presupposes that the creditworthiness of the applicant determined on the basis of Eurex Clearing AG's internal assessment pursuant to Number 1.6.1 Paragraph (4) corresponds at least to a ~~meets the following requirements:~~

- ~~(a) Applicants within the meaning of Paragraph (1) (a) or (b) may be exempted if either they or their relevant home country has a minimum rating of A by Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial Inc. Standard & Poor's ("S&P"), a branch of McGraw-Hill Companies, Inc. If the applicant has an unlimited guarantee or declaration of liability from a guarantor that falls within one of the categories listed in Paragraph (1), the rating of that guarantor is decisive.~~
- ~~(b) Applicants within the meaning of Paragraph (1) (d) or (e) may be exempted if they have a rating of AAA by S&P.~~

~~(c) Applicants within the meaning of Paragraph (1) (f) may be exempted if they have an unlimited guarantee or declaration of liability of their relevant home country and if this country has a minimum rating of A by S&P,~~

~~— Ratings by S&P are comparable to ratings by Moody's Investor Service Inc. or Fitch Ratings Ltd. In case of several available ratings for one applicant, the lowest rating shall be decisive.~~

(4) Clearing Members ~~admitted as General Clearing Members pursuant to Paragraph (1) which have been exempted from the requirements mentioned in Paragraph (2)(c) and (d)~~ are entitled to conclude a Clearing Agreement with a Non-Clearing Member or a Registered Customer only if such Non-Clearing Member or Registered Customer ~~either~~

~~(a) falls itself within one of the categories pursuant to listed in Paragraph (1) (a) to (d) and meets the minimum rating requirement pursuant to Paragraph (3).-er~~

~~(b) is a winding up agency pursuant to Section 8a of the German Financial Market Stabilisation Fund Act (*Finanzmarktstabilisierungsfondsgesetz*) (or a similar provision of law of one of the countries named under Paragraph (1)(a)) with a minimum rating of A by S&P or with an unlimited guarantee or declaration of liability from an entity or organisation that falls within one of the categories pursuant to Paragraph (1).~~

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