clear to trade

eurex clearing *circular 151/13*

Date: 17 December 2013
Recipients: All Clearing Members, Non-Clearing Members, Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Thomas Laux

⚠ **High priority**

Amendment to the calculation of the Clearing Fund contribution

Related Eurex Clearing circular: 139/13

Contact: Risk Control, T +49-69-211-1 24 52, F +49-69-211-1 84 40, risk@eurexclearing.com

Content may be most important for:	**Attachments:**
➲ All departments	None

Summary:

As announced with Eurex Clearing circular 139/13, Eurex Clearing will amend the Clearing Fund Contribution logic to ensure compliance with EMIR ("European Market Infrastructure Regulation") and to base the Clearing Fund contributions on a more risk-sensitive measure.

The new calculation logic will become effective on **2 January 2014**.

In this circular, a detailed description of the change and an introduction roadmap are provided.

Eurex Clearing calculates the contribution to the Clearing Fund for each Clearing Member based on the risk it poses towards Eurex Clearing. The basis for the calculation of the Clearing Fund will be changed from a percentage of the Total Margin Requirement to a percentage of the Initial Margin Requirement.

Eurex Clearing AG
Mergenthalerallee 61
65760 Eschborn
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 24 52
F +49-69-211-1 84 40
risk@
eurexclearing.com
Internet:
www.eurexclearing.com

Chairman of the Supervisory Board: Hugo Bänziger

Executive Board: Thomas Book (CEO), Jürg Spillmann (Deputy CEO), Heike Eckert, Thomas Laux, Erik Tim Müller, Andreas Preuss

Aktiengesellschaft mit Sitz in Frankfurt/Main
HRB Nr. 44828
Amtsgericht Frankfurt/Main

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The new calculation logic will become effective on 2 January 2014.

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Based on the Clearing Member's status (Direct Clearing Member (DCM), General Clearing Member (GCM) or OTC Clearing Member (OTC CM)), the minimum Clearing Fund contribution is determined by Eurex Clearing as follows (minimum requirement):

- EUR 5 million for GCM, OTC CM
- EUR 1 million for DCM

In addition, the Clearing Fund requirements are dynamic considering the overall risk exposure of the single Clearing Member towards the CCP. The Clearing Fund requirement is determined by the highest single amount of the following components:

- Clearing Fund minimum requirement as mentioned above, or
- 7% of the 30 day Initial Margin Requirement average, or
- 7% of the 250 day Initial Margin Requirement average.

The current process of calling into the Clearing Fund will not be changed. The delivery deadline, however, will be extended with respect to the next Clearing Fund update in first quarter 2014.

As outlined in Eurex Clearing circular 139/13, the described changes are already technically implemented. They will become operationally effective on 2 January 2014. Since 25 November 2013, the daily Eurex report CD090 is showing the new Clearing Fund contribution for each Clearing Member. Currently, it can be used as an indicator for the new contribution requirement. As of 30 December 2013, the new contributions will be determined on the basis of report CD090 of that day.

After having determined the Clearing Fund requirement, Eurex Clearing checks whether the current Clearing Fund contribution is sufficient. All Members facing a shortfall will receive a fax containing the amount that has to be covered in order to rectify under-collateralization. In case of a shortfall the Clearing Member has to provide the contributions to the Clearing Fund in cash amounts and/or securities accepted by Eurex Clearing, within **twenty** business days after notification. If a Clearing Member does not provide the required additional collateral within **twenty** business days in full, Eurex Clearing is entitled to debit the Clearing Member's central bank account via direct debit authorization on the next business day, without further notice.

For more details, please refer to the Clearing Conditions for Eurex Clearing AG, Chapter I, Part 1, Paragraph 6.

If you have any questions of require further information, please contact Risk Control on tel. +49-69-211-1 24 52, fax +49-69-211-1 84 40 or e-mail risk@eurexclearing.com.

17 December 2013

[1] The Initial Margin in the Risk-Based Margining system corresponds to Additional Margin plus Futures Spread Margin.