clear to trade

eurex clearing *circular 068/11*

Date: September 6, 2011
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Jürg Spillmann

⚠ **High priority**

Possible Introduction of Negative Interest on Cash Assets by Central Banks and Commercial Banks; Contributions to the Clearing Fund

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Content may be most important for:

- Front Office/Trading
- Middle + Backoffice
- Auditing/Security Coordination

Attachment:
Updated sections of the Clearing Conditions for Eurex Clearing AG, effective September 21, 2011

Summary:

Against the background of a possible charging of negative interest on cash amounts deposited as margin, Eurex Clearing AG will introduce the possibility of passing on negative interest and similar charges to the Clearing Members. This regulation, and the possibility of (positive) interest paid on deposited cash amounts, shall apply as well to contributions to the Clearing Fund.

Attached to this circular are the adjusted and enhanced sections of the Clearing Conditions for Eurex Clearing AG as decided by the Executive Board of Eurex Clearing AG on September 1, 2011, which will come into effect on **September 21, 2011**.

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Andreas Preuss (CEO),
Jürg Spillmann, Thomas Book,
Gary Katz, Michael Peters,
Peter Reitz

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

Possible Introduction of Negative Interest on Cash Assets by Central Banks and Commercial Banks; Contributions to the Clearing Fund

Adjustment of the Clearing Conditions

Attached to this circular we are sending you an excerpt of Chapter I of the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) with marked changes and enhancements as decided by the Executive Board of Eurex Clearing AG on September 1, 2011. For download of the adjusted Clearing Conditions from the Eurex Clearing website please follow the path:

www.eurexclearing.com > Documents > Rules & Regulations > Clearing Conditions

For direct access to the document click on the following link:
http://www.eurexclearing.com/documents/regulations/clearing_conditions_en.html

According to Chapter I, Part 1, Number 16.2.2 of the Clearing Conditions, the changes and enhancements to the Clearing Conditions communicated in the present circular are deemed to have been approved by each Clearing Member and Non-Clearing Member as well as by each Registered Customer, unless they object in writing to Eurex Clearing AG prior to the end of the business day preceding the actual day the adjustments and enhancements come into effect. The right to terminate the Clearing Agreement and the Clearing License in accordance with Chapter I, Part 1, Number 2.1.3, Paragraph 1 of the Clearing Conditions remains unaffected thereof.

Content of the Adjustments

Negative interest and similar charges on cash amounts deposited in connection with margin

By means of number 3.4.5 in Chapter I, Part 1, an obligation is introduced for Clearing Members to reimburse to Eurex Clearing AG charges it is imposed upon in connection with cash amounts deposited in connection with margin. This obligation includes negative interest rates, penalty fees, commissions and other payments with a similar effect. Background of this regulation are the currently discussed plans, namely by central banks and for monetary policy reasons, to introduce payment obligations for account holders for cash assets administrated by the central banks.

Income and Charges on Contributions to the Clearing Fund

Number 6.1.2 in Chapter I, Part 1 of the Clearing Conditions will be enhanced, whereby Numbers 3.4.4 and 3.4.5 of this section also apply to contributions to the Clearing Fund. Accordingly, for these contributions, interest can be paid to and charges passed on to the Clearing Members.

September 6, 2011

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[…]

Chapter I
General Provisions

Part 1
General Clearing Provisions

[…]

3 General Provisions regarding Margin

[…]

3.4 Currency Conversion, Use of Cash Margin and Income on Margin Assets

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3.4.4 Eurex Clearing AG may agree from time to time to pay interest on Eligible Margin Assets in the form of cash actually delivered by a Clearing Member to Eurex Clearing AG in respect of Margin. Any income on Eligible Margin Assets in form of Securities actually delivered by a Clearing Member to Eurex Clearing AG in respect of Margin shall be subject to the specific provisions of the Elementary Clearing Model Provisions or the Individual Clearing Model Provisions.

3.4.5 Eurex Clearing AG may demand from a Clearing Member the reimbursement of expenses arising from the investment of the cash actually delivered in respect of Margin. A liability for reimbursement exists for expenses such as negative interest rates, penalty fees, commissions and other payments with a similar effect which are determined by the accounting central bank or accounting commercial bank in respect of the respective cash funds.

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6 Clearing Funds

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6.1 Contributions to the Clearing Fund

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6.1.2 Provision of the Contributions to the Clearing Fund

(1) The Clearing Members shall provide the Contributions to the Clearing Fund in cash amounts and/or in Securities accepted by Eurex Clearing AG by way of a transfer of all rights, title and interest in respect of such cash amounts and/or Securities to Eurex Clearing AG. For Ccontributions provided in the form of cash amounts, Numbers 3.4.4 and 3.4.5 of these General Clearing Provisions apply *mutatis mutandis*, and for Contributions provided in the form of Securities, Numbers 12.1, 12.2 and 12.4 of the Individual Clearing Model Provisions apply *mutatis mutandis*.

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