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## eurex clearing *circular 033/15*

**Date:** 26 March 2015  
**Recipients:** All Clearing Members of Eurex Clearing AG and Vendors  
**Authorized by:** Heike Eckert

**Collateral fees: Adaption of cash handling and security collateral fees,  
eligible currencies for Clearing Fund cash contributions**

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**Content may be most important for:**

☞ All departments

**Attachment:**

Updated sections of the Price List for Eurex Clearing AG

**Summary:**

As of **1 May 2015**, a revised version of the Price List for Eurex Clearing AG will be applied to cash collateral delivered for margin, Clearing Fund and own funds or equivalent regulatory capital contributions.

Furthermore, effective 1 May 2015, cash contributions to the Clearing Fund will be limited to the clearing currencies euro and Swiss franc.

In connection with the changes to the cash handling fee, Eurex Clearing also intends to adjust the security collateral fee as well as the fee on securities collateral reused towards Eurex Clearing from GC Pooling® cash provider activities. These changes are envisaged to be implemented in January 2016.

This circular contains the updated sections of the Price List for Eurex Clearing AG with respect to the above-mentioned changes to the cash handling fee.



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eligible currencies for Clearing Fund cash contributions**

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In connection with the changes to the cash handling fee, Eurex Clearing also intends to adjust the security collateral fee as well as the fee on securities collateral reused towards Eurex Clearing from GC Pooling® cash provider activities. These changes are envisaged to be implemented in January 2016.

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**1. Adaption of cash handling fee**

Eurex Clearing charges a handling fee on realised interest rates from placements of cash collateral. Thereafter, remaining earnings are passed on to Clearing Members. For the currencies euro and Swiss franc, the fee is set at 20 basis points per year. For the currencies British pound and U.S. dollar, the fee is 50 basis points per year. At present, there is a negative interest rate environment in some currency markets. Eurex Clearing does not currently charge the cash handling fee in the negative interest rate environment which is not standard market practise. Effective 1 May 2015, Eurex Clearing will charge the corresponding currency-related cash handling fee in any negative interest rate environments. However, to limit the impact on Clearing Members, Eurex Clearing will temporarily only charge ten basis points for currencies euro and Swiss franc and 25 basis points for the currencies British pound and U.S. dollar as long as the negative interest rate environment prevails.

**2. Adjustment of security collateral fee**

Eurex Clearing applies a security collateral fee of five basis points per year for non-cash collateral delivered to Eurex Clearing as margin collateral. Any over-collateralisation is not charged. EurexOTC Clear Registered Customers are exempt from the security collateral fee. Furthermore, a security collateral fee of three basis points per year is foreseen for security collateral reused towards Eurex Clearing from GC Pooling® cash provider activities. However, this fee is currently waived by Eurex Clearing.

In conjunction with the amendments to the cash handling fee, Eurex Clearing also intends to adjust the security collateral fee. As a CCP, Eurex Clearing is obliged to maintain adequate levels of liquidity to comply with various regulatory requirements. Cash margins generally represent a relevant source of liquidity for the clearing house. In order to incentivise Clearing Members to maintain certain cash levels in their collateral portfolios, the security collateral fee will remain unchanged at five basis points per year if a cash level of 30 percent in comparison to the total margin requirement is maintained in the collateral pool. For cash levels of 29.99 to 15 percent, the fee will be 7.5 basis points per year. For cash levels of 14.99 to 0 percent, the fee will be ten basis points per year. To give Clearing Members adequate time for any pricing adjustments, the introduction of the sliding scale fee structure is planned for January 2016.

Additionally, Eurex Clearing intends to introduce a sliding scale fee structure for security collateral reused towards Eurex Clearing from GC Pooling® cash provider activities. A scale of between 0 and 5 basis points per year is currently foreseen. EurexOTC Clear Registered Customers will continue to be exempt from the security collateral fee until further notice.

As mentioned above, the changes to the security collateral fee are scheduled to be introduced in January 2016. Eurex Clearing will provide Clearing Members with more detailed information as well as the corresponding changes to the Price List later in the year.

### **3. Eligible currencies for Clearing Fund cash contributions**

Due to regulatory restrictions regarding overnight deposits in commercial bank money, Eurex Clearing will allow cash contributions to the Clearing Fund only in the clearing currencies euro and Swiss franc. British pound and U.S. dollar will no longer be accepted effective 1 May 2015.

### **4. Amendments to the Price List for Eurex Clearing AG**

In conjunction with the above-mentioned adaption of the cash handling fee, the corresponding amended sections of the Price List for Eurex Clearing can be found as an attachment to this circular.

As of 1 May 2015, the full amended Price List will be available for download on the website of Eurex Clearing [www.eurexclearing.com](http://www.eurexclearing.com) under the following link:

**Resources > Rules and Regulations > Price List**

Pursuant to Number 14 (3) of the Price List for Eurex Clearing AG, 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 within ten (10) business days after publication.

26 March 2015

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

## **9. Service Fees for Collaterals, Clearing Fund Contributions and Funds provided for the Fulfilment of Own Funds or equivalent Regulatory Capital Requirements**

### **9.1 Service Fees for Eligible Margin Assets in the Form of Cash**

For Eligible Margin Assets in the form of cash delivered as cover, a fee will be charged. The fee will be charged on the entire Eligible Margin Assets in the form of cash delivered by Clearing Members.

The fee for Eligible Margin Assets in the form of cash delivered as cover is determined according to the currency in which the delivery of Eligible Margin Assets in form of cash by the Clearing Member occurs. The respective fee therefore amounts to in case of cash in:

CHF: 0.20% p.a.

EUR: 0.20% p.a.

GBP: 0.50% p.a.

USD: 0.50% p.a.

The calculation of the fee will be performed act / 365 based on the value of the Eligible Margin Assets in the form of cash delivered and recorded in the Internal Margin Account (Chapter 1 Part 2 Number 4.2), the Segregated Internal Margin Account (Chapter 1 Part 3 Subpart A Number 4.1.2) and the Internal Net Omnibus Margin Account (Chapter 1 Part 4 Number 4.2) of the Clearing Member.

ECAG principally reserves the right to charge a lower fee.

## 9.21 Service Fees for Eligible Margin Assets in the Form of Securities

For Eligible Margin Assets in the form of securities or book-entry securities (Wertrechte) delivered as cover, a fee in the corresponding clearing currency will be charged daily in the amount of 0.05 per cent p.a. For Eligible Margin Assets in the form of securities or book-entry securities (Wertrechte) which are delivered through the GC Pooling reuse functionality, a fee in the corresponding clearing currency will be charged daily in the amount of 0.03 per cent p.a. The calculation of the fee will be performed act / 365 based on the value of the eligible margin assets in the form of securities or book-entry securities (Wertrechte) delivered to cover margin requirements which are recorded in entered on the internal Mmargin Account (Chapter 1, Part 2, Number 4.2), and the Segregated internal Mmargin Account (Chapter 1, Part 3, Subpart A Number 4.1.2) and the Internal Net Omnibus Margin Account of the Clearing Mmember. Therefore,

- a) Eligible Margin Assets in the form of securities or book-entry securities (Wertrechte) recorded in entered on the margin accounts whose delivery is not required to cover the respective margin requirements,
- ~~b) contributions to the Clearing Fund,~~
- ~~c) funds provided for the fulfilment of liable equity capital requirements and~~
- ~~d) margin requirements determined for OTC Interest Rate Derivative Transactions relating to Registered Customers~~

are not part of the calculation basis.

## 9.3 Service Fees for intra-day Exchange of Eligible Margin Assets

In accordance with the specifications determined by ECAG for an intra-day exchange of Eligible Margin Assets in the form of cash as deposited for Eligible Margin Assets in the form of securities or book-entry securities (Wertrechte) respectively the intra-day exchange of Eligible Margin Assets in the form of securities or book-entry securities (Wertrechte) as deposited for Eligible Margin Assets in the form of securities or book-entry securities (Wertrechte) other than those deposited, ECAG shall charge a service fee in the amount of EUR 50.00 or CHF 80.00 for each such exchange.

The respective service fees shall be charged without turnover tax.

## 9.4 Service Fees for Clearing Fund Contributions

For Clearing Fund Contributions in the form of cash Number -9.1 applies *mutatis mutandis*.

For Clearing Fund Contributions in the form of securities, no service fees are charged.

## **9.5 Service Fees for Funds provided for the Fulfilment of Own Funds or equivalent Regulatory Capital Requirements**

For funds in the form of cash provided for the fulfilment of own funds or equivalent regulatory capital requirements Number 9.1 applies *mutatis mutandis*.

For funds in the form of securities provided for the fulfilment of own funds or equivalent regulatory capital requirements, no service fees are charged.

[...]