clear to trade

e u r e x c l e a r i n g *circular 092/14*

Date: 17 July 2014
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Euro-Swap Futures: Clearing of futures contracts introduced on Eurex Exchange on two-year, five-year, ten-year and 30-year interest rate swaps denominated in euro

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Content may be most important for:

Ü All departments

Attachments:

Updated sections of the following Rules and Regulations:

1. Clearing Conditions for Eurex Clearing AG
2. Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation)
3. Price List for Eurex Clearing AG

and

4. Euro-Swap Futures – Delivery Process

Summary:

Effective **1 September 2014**, Eurex Clearing will extend its clearing services to the following products:

Futures contracts on interest rate swaps denominated in euro with various terms (two, five, ten and 30 years) and fixed rate arrangements ("Euro-Swap Futures").

This circular provides information on the clearing and delivery process of the new products and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG. Specific information on the introduction of the new products as well as the updated sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG can be retrieved from Eurex circulars 107/14 and 122/14.

Euro-Swap Futures: Clearing of futures contracts introduced on Eurex Exchange on two-year, five-year, ten-year and 30-year interest rate swaps denominated in euro

Effective 1 September 2014, Eurex Clearing will extend its clearing services to the following products:

Futures contracts on interest rate swaps denominated in euro with various terms (two, five, ten and 30 years) and fixed rate arrangements ("Euro-Swap Futures").

This circular provides information on the clearing and delivery process of the new products and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG. Specific information on the introduction of the new products as well as the updated sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG can be retrieved from Eurex circulars 107/14 and 122/14.

1. Eurex products

	2-year Euro-Swap Futures	5-year Euro-Swap Futures	10-year Euro-Swap Futures	30-year Euro-Swap Futures
Underlying	Interest rate swaps denominated in euro with various terms (two, five, ten and 30 years) and fixed rate arrangements. The nominal value of an interest rate swap futures contract is **EUR 100,000.** The respective underlying interest rate swaps are equal to the conditions of an OTC interest rate derivatives transaction pursuant to Chapter VIII Part 3 Number 3.3.1 i.c.w. Number 3.3.2 (ISDA interest rate swap fixed-variable) of the Clearing Conditions for Eurex Clearing AG and contain the product-specific provisions shown in the table below.			
Eurex product code	FSWS	FSWM	FSWL	FSWX
ISIN	DE000A11RAV2	DE000A11RAX8	DE000A11RAZ3	DE000A11RA14
Price determination	In percent of the nominal value: (100% + (market value of the deliverable interest rate swap / nominal value)) * 100			
Settlement	On delivery day, after close of trading, buyer and seller of an interest rate swap futures contract are obliged to conclude an interest rate swap with Eurex Clearing AG defined according to the underlying. Thereby, as fixed rate payer, the seller of an interest rate swap futures contract is obliged to deliver. As fixed rate receiver, the buyer of an interest rate swap futures contract is obliged to accept the delivery.			
Delivery day	Delivery day of the interest rate swap futures contracts is the exchange trading day immediately preceding the third Wednesday of the delivery month of the respective interest rate swap futures contract (IMM date).			
Last trading day	Last trading day of interest rate swap futures contracts is the exchange trading day immediately preceding the delivery day. Close of trading of the interest rate swap futures contracts on the last trading day is 12:15 CET.			
Maturities	The next three successive quarterly months of the cycle March, June, September and December.			

Fixed rate arrangements	A fixed interest rate quoted in percent per annum, which is equal to 25 basis points (i.e. 0.25% per annum) or a multiple thereof, which is determined by Eurex Deutschland and Eurex Zürich before the first trading day of the respective interest rate swap futures contract.
Daily settlement price	As a reference, the volume-weighted average of the prices of all trades concluded during the minute before 17:15 CET (reference time) in the respective contract as daily settlement price of the current maturity month, if more than five trades have been concluded during this interval.
Final settlement price	Determination of the final settlement price will be done by Eurex at 12:15 CET on the final settlement day. Relevant is the volume-weighted average of the prices of all trades concluded during the last trading minute of an exchange trading day, if during this interval more than ten trades were concluded. If this is not the case, the settlement price will be determined from the volume-based average of the prices of the last ten concluded trades, if they are not older than 30 minutes. If such price determination is not possible or the price such determined does not reflect the actual market situation, Eurex Exchange determines the settlement price.

2. Clearing Conditions for Eurex Clearing AG

Please find the relevant amendments to the Clearing Conditions for Eurex Clearing AG in attachment 1 to this circular.

Effective 1 September 2014, the full 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

3. Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation)

Euro-Swap Futures are admitted to the Exchange for Physicals (EEP-Fin trade feature), the Exchange for Swaps (EFS trade feature) and Block Trades (Block Trade feature) facilities. The minimum block trade sizes are as follows:

2-year Euro-Swap Futures (FSWS)	5-year Euro-Swap Futures (FSWM)	10-year Euro-Swap Futures (FSWL)	30-year Euro-Swap Futures (FSWX)
1,000	500	250	100

Please be aware that EFP, EFS or Block Trade transactions which are entered on the last trading day after the hours for usage of the Eurex Trade Entry Services in the maturing swap futures contract month (12:15 CET) will not be included in the clearing process and will not be concluded with Eurex Clearing AG. For technical reasons, Eurex Clearing's system generates trade confirmations for such EFP, EFS or Block Trade transactions not included in the clearing process. Clearing Members should not confide in confirmations for conclusion of a swap futures contract after the hours for usage on the last trading day.

The Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) were adjusted accordingly. Please refer to attachment 2 for further details.

As of 1 September 2014, the full amended Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) will be available for download on the Eurex Clearing website under the following link:

Resources > Rules and Regulations > Conditions for Utilization of the Eurex Trade Entry Services

4. Transaction fees

Transaction fees for trading of Euro-Swap Futures are EUR 0.20 per contract for the matching of order book transactions and EUR 0.30 per contract for the recording of off-book transactions.

For further details, please refer to attachment 3 to this circular. As of 1 September 2014, the full amended Price List for Eurex Clearing AG on the Eurex Clearing website will be available for download on the Eurex Clearing website under the following link:

Resources > Rules and Regulations > Price list

5. Market-Making

Eurex Exchange offers interested Trading Participants to act as Market Makers for the new Euro-Swap Futures. Please refer to Eurex circular 107/14 for details.

6. Description of the delivery process in case of physical delivery of an interest rate swap contract denominated in euro according to the defined underlying

After the close of trading of the interest rate swap futures contracts in question, the buyer and the seller of an interest rate swap futures contract are obliged to conclude an interest rate swap with Eurex Clearing AG defined according to the underlying on delivery day with the following product-related characteristics:

1. General provisions	
(a) Notional amount or calculation period amount:	The nominal value of an interest rate swap futures contract.
(b) Trade date:	The delivery day of the respective interest rate swap futures contract.
(c) Effective date:	The third Wednesday of the quarterly months March, June, September respectively December, depending in which of these months the respective interest rate swap futures contract matures.
(d) End date (subject to adjustment pursuant to the applicable business day convention):	The second, fifth, tenth or 30. Anniversary of the effective date, depending on the respective interest rate swap futures contract.
(e) Business days:	TARGET (EUTA)
(f) Business day convention:	Modified following. If a payment date for the payment of a fixed or floating amount is adjusted pursuant to the applicable business day convention, the number of days in the respective calculation period is adjusted to the new payment date (adjusted).
2. Initial payment	
(a) Debtor of the initial payment:	If the final settlement price of the interest rate swap futures contract exceeds 100% of its nominal value, the purchaser of the interest rate swap futures contract. If the final settlement price of the interest rate swap futures contract is smaller than 100%

	of its nominal value, the seller of the interest rate swap futures contract.
(b) Initial payment amount:	An amount in euro (rounded to full euro cents) determined pursuant to the following formula: $= \frac{Notional\ amount\ x\ (FSP-100)}{100}$ whereby "Notional amount" means the notional amount of the interest rate swap and "FSP" means the Final Settlement Price of the interest rate swap futures contract.
(c) Payment date for initial payment:	Start date (Effective date) of the interest rate swap futures contract.
3. Fixed amounts	
(a) Payer of the fixed amounts:	The seller of the interest rate swap futures contract.
(b) Maturity dates for fixed amounts (subject to adjustment pursuant to the applicable business day convention):	Each anniversary of the effective day within the period from effective day up to and inclusive of the end date of the interest rate swap.
(c) Fixed rate:	A fixed interest rate expressed in percent per annum corresponding to 25 basis points (i.e. 0.25% per annum) or a multiple thereof, which is determined by Eurex Deutschland and Eurex Zürich on the trading day directly predating the first trading day of the respective interest rate swap futures contract.
(d) Day count fraction for fixed amounts:	30/360.
4. Floating amounts	
(a) Payer of the floating amounts:	The buyer of the interest rate swap futures contract.
(b) Maturity dates for floating amounts (subject to adjustment pursuant to the applicable business day convention):	Semi-annually from (but exclusive of) the effective date up to and inclusive of the end date of the Interest Rate
(d) Floating rate option:	EUR-EURIBOR Reuters.
(e) Designated maturity:	Six months.
(f) Spread:	Not applicable.
(g) Day count fraction for floatable amounts:	Actual/360.
(h) Reset dates:	The first day of the respective calculation period.

Please refer to attachment 4 of this circular for more information about the delivery process.

5. Trading hours (CET)

Product	Pre-Trading	Trading	Post-Trading	Eurex Trade Entry Services	Last trading day, trading until
Euro-Swap Futures	07:59-08:30	08:30-19:00	19:00-20:00*	08:30-19:00**	12:15

* On the respectively last trading day, the Post-Trading period starts at 12:15 and ends at 20:00.

** On the respectively last trading day, entry of off-book trades ends at 12:15.

6. Margining and risk parameters

In addition to the margin efficiencies of a standardised futures product, trading of Euro-Swap Futures at Eurex Exchange offers significant capital efficiencies through cross-margining with the liquid German benchmark government bonds futures.

Initially, the risk for the Euro-Swap Futures contracts will be calculated in the Risk Based Margining system.

Margin parameters of the new products will be published on the Eurex Clearing website under the link:

Risk management > Risk parameters

Migration to Prisma is planned for the beginning of October 2014. Details will be published in due course prior to the migration in a separate Eurex Clearing circular.

7. Necessary preparations to start clearing

- Euro-Swap Futures contracts have been available in the Eurex simulation since 9 June 2014 for testing purposes.
- The process of physical delivery in Euro-Swap Futures takes place via Eurex Clearing.
  - For this purpose and to be enabled for trading in Euro-Swap Futures, each Eurex Participant must ensure that its Clearing Member holds both a license for the clearing of transactions at Eurex Deutschland and Eurex Zürich and a license for the clearing of OTC interest derivatives transactions denominated in euro and agreed to perform the clearing of Euro-Swap Futures for that Eurex Participant. Confirmation is made using a specific form.
  - For participation in trading of Euro-Swap Futures, Eurex Trading Participants are requested to download the corresponding form from the Eurex website, where it will be published soon, fill out and return it to the fax number stated on the form.

8. Provisions regarding delivery of swap futures to U.S. Persons

Section 2(h)(1)(A) of the Commodity Exchange Act (CEA) states that swaps required to be cleared must be submitted to a registered DCO. Section 5b(a)(1) of the CEA makes it unlawful for a CCP to perform the functions of a DCO with respect to a swap unless it is registered with the Commodity Futures Commission (CFTC).

Section 2(i) of the CEA states that the provisions of the CEA in relation to swaps shall also apply to activities outside the United States, if such activities have a direct and significant connection with activities in, or effect on, commerce of the United States. Such jurisdictional nexus to U.S. law is generally created whenever the cleared OTC Interest Rate Derivative Transaction involves a counterparty which qualifies as U.S. Person.

On 26 July 2013, the CFTC issued interpretive guidance regarding the cross-border application of the swaps provisions of the CEA (Cross-Border Guidance). The Cross-Border Guidance provides a framework for determining whether a swap counterparty qualifies as U.S. Person for purposes of satisfying the jurisdictional nexus under section 2(i) of the CEA.

Since Eurex Clearing AG's registration as DCO with the CFTC is not yet completed, Eurex Clearing AG needs to identify and reject OTC Interest Rate Derivative Transactions for clearing in which U.S. Persons are involved with immediate effect.

Since the Swap Futures will physically settle into an OTC Interest Rate Derivative Transactions, Eurex in cooperation with Eurex Clearing AG currently develops potential provisions for the trading of Swap Futures by "U.S. Persons" and will inform you about the outcome via circular at a later point in time.

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 shall be deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer, unless they object in writing to Eurex Clearing AG 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 shall remain unaffected.

Pursuant to Number 16 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.

17 July 2014

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED.

DELETIONS ARE CROSSED OUT.

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Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

Part 1 General Provisions

[…]

1.1 Clearing Licenses

1.1.1 Granting of Clearing Licenses

A Clearing License is required in order to participate in the Clearing of derivatives transactions at the Eurex Exchanges; Eurex Clearing AG shall grant such Clearing License upon written application.

1.1.2 Prerequisites for Clearing Licenses

(1) With regard to the prerequisites to be fulfilled within the scope of the granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply.

(2) The applicant shall meet the following additional requirements:

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(g) Evidence of an interest rate derivative clearing license for OTC-Interest Rate Derivative Transactions denominated in Euros pursuant to Chapter VIII Part 3 of the Clearing Conditions. If such evidence is not provided, Eurex Clearing AG will neither carry out the clearing of transactions in Interest Rate Swap Futures Contracts of the respective Clearing Member nor the clearing of such transactions by this Member's respective Non-Clearing Members or Registered Customers. In this case, Chapter I Number 1.2.2 shall not be applicable and the

Eurex Exchanges will exclude the respective Clearing-Member as well as its Non-Clearing-Members from the trade in such products.

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Part 2 Clearing of Futures Contracts

The following provisions shall apply to the Clearing of futures contract transactions specified in Number 1 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich ("**Eurex Contract Specifications**").

2.1 General Provisions

The "General Provisions" pursuant to this Number 2.1 apply for all futures contracts unless specific or rules deviating from the "General Provisions" pursuant to Number 2.2 to ~~2.19~~ 2.22 apply to the respective futures contracts.

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2.1.2 Daily Settlement Price

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(5) Reference times

Contract	Reference Time (CET)
Agricultural Index Futures with assigned product ID FEPP, FHOG or FPIG	16:00
Agricultural Index Futures with assigned product ID FSMP, FWHY or FBUT	18:30
All other Index Dividend Futures	17:30
All other Index-Futures	17:30
CECE® EUR-Futures	17:10
Commodity Index Futures	17:30
CONF-Futures	17:00

Contract	**Reference Time (CET)**
ETC Futures	17:30
Eurex -KOSPI-Daily Futures Contracts	17:30
Fixed Income Futures (denominated in Euro)	17:15
Futures Contracts with assigned group ID BR01, CA01, US01 or US02	17:45
FX Futures	17:30
Gold Futures	Conclusion of Afternoon Fixing taking place around 16:00
Hurricane Futures	22:00
Index Dividend Futures	17:30
Money Market Futures	17:15
RDX® EUR Futures, RDX® USD Futures	16:30
Silver Futures	Conclusion of the Silver Fixing taking place around 13:00
SMI® Index Dividend Futures	17:20
SMI®-Futures, SLI® Futures	17:20
SMIM® Futures	17:20
Interest Rate Swap Futures Contracts	17:15

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2.22 Clearing of Interest Rate Swap Futures Contracts

The following provisions shall apply to the Clearing of transactions in Interest Rate Swap Futures Contracts specified in Number 1.20 of the Eurex Contract Specifications.

2.22.1 Procedure for Delivery

On delivery day (Number 1.20.6 Paragraph1 of the Eurex Contract Specifications), the delivery pursuant to Number 1.20.2 of the Eurex Contract Specifications is performed directly between the Clearing-Members and the Eurex Clearing AG.

Hereby, OTC- Interest Rate Derivative Transactions pursuant to Chapter VIII Part 3 Number 3.3.1 in conjunction with Number 3.3.2 of the Clearing Conditions (ISDA Fixed Rate-Floating Rate Swaps) are created between the respective Clearing Member and the Eurex Clearing AG under conditions set forth in Number 1.20.1 of the Eurex Contract Specifications (the "Interest Rate Swap to be Delivered").

The creation of the Interest Rate Swaps to be Delivered is performed pursuant to the novation procedure for OTC Interest Rate Derivative Transactions. For this procedure, the provisions in Chapter I Part 1 Number 1.2.2 Paragraph 2, Chapter VIII Part 1 Number 1.2 and Chapter VIII Part 3 Number 3.1.4 shall apply subject to the following measures:

Deviating from Chapter I Part 1 Number 1.2.2 Paragraph 2, the Interest Rate Swap to be Delivered shall be included in the Clearing of Eurex Clearing AG directly upon its creation without the establishment of an Original OTC Transaction (abstract novation).

Deviating from Chapter VIII Part 1 Number 1.2.1, the inclusion of the OTC Derivative Transactions in the Clearing of Eurex Clearing AG does not require the transmission of a transaction dataset to Eurex Clearing AG by a Recognized Trade Source System. Instead, the respective dataset is determined at delivery day by Eurex Clearing AG pursuant to Number 1.20.1 of the Eurex Contract Specifications.

The novation is effected automatically without cooperation of the Clearing Member and without application of the general novation critieria pursuant to Chapter VIII Part 1 Number 1.2.3 as well as the transaction-specific novation criteria pursuant to Chapter VIII Part 3 Number 3.1.4.1.

Chapter VIII Part 3 Numbers 3.1.4.3 and 3.1.4.4 shall not be applicable.

On delivery day, at or after 06.05 hours CET, Eurex Clearing AG will provide the Clearing Member electronically through the system with a report on the Interest Rate Swaps to be Delivered which will be included in the Clearing on delivery day (an "OTC Novation Report").

The Interest Rate Swaps to be Delivered are created in legally effective manner as soon as the respective OTC Derivative Transaction is accepted for inclusion in the Clearing by

Eurex Clearing AG by providing the respective Clearing Members electronically through its system with the corresponding OTC Novation Report.

2.22.2 Final Settlement Price

The Final Settlement Price will be determined by Eurex Clearing AG on the last trading day (Number 1.20.4 of the Eurex Contract Specifications) at 12:15 hours CET. The Final Settlement Price corresponds to the volume-weighted price average of all transactions concluded during the last trading minute, if more than ten transactions have been concluded during this time. Otherwise, the Final Settlement Price will be generated from the volume-wighted price average of the last ten concluded transactions, provided that these transactions have been concluded within the last 30 minutes. If the determination of the Final Settlement Price in the aforementioned manner is not possible or if the price established in such manner does not reflect the actual market conditions, the Final Settlement Price will be fixed by Eurex Clearing AG.

2.22.3 Fulfillment, Delivery

(1) Clearing Members with open positions in one of their accounts have to notify Eurex Clearing AG five business days prior to the last trading day of the Interest Rate Swap Futures Contracts after close of trading until the end of the Post-Trading Full-Period, whether they intend to hold the respective positions until expiration date and to fulfill them on delivery day.

(2) Open positions in an Interest Rate Swap Futures Contract existing in a Clearing Member's transactions account on the last trading day after close of trading will be settled on delivery day by the delivery of an interest rate swap for each long and short position. Thereby, the notional amount of the respective Interest Rate Swap to be Delivered correpsonds to the overall nominal value of the respective open position.

(3) If a NON-CLEARING MEMBER or a REGISTERED CUSTOMER does not have identical segregation and/or account structures in both clearing licenses of the Clearing Member, the respective Euro Swap Futures Contracts will be entered in the Clearing of OTC Deriviative Transactions as ELEMENTARY OMNIBUS TRANSACTIONS until the booking by the Clearing Member has been completed.

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Appendix 1 to the Clearing Conditions: Clearing Agreement between Eurex Clearing AG and a Clearing Member

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Part 3 Transaction Types included in the Clearing, Elementary Standard Agreements, Net Omnibus Clearing Agreement, ICM Clearing Agreement for ICM-CCD

1 Type of the Clearing License

The Clearing Member shall be granted:

o General Clearing License

General Clearing License entitles the General Clearing Member (GCM) to clear its Own Transactions, Customer-Related Transactions, NCM-Related Transactions and RC-Related Transactions and relates to the Clearing of the following Transactions[1] :

□ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges) for the following MCR-Product Groups:

x Equity & Index Products[2]

x Fixed Income Products[2]

□ Interest Rate Swap Futures Products

□ International CBF-settled Products

□ UK & Irish Products

□ KOSPI Products

□ TAIFEX Products

□ FX Products

[…]

o Direct Clearing License

[1] Each Transaction Type may, in this Clause 1, only be elected once.

[2] The infrastructure necessary to clear Equity & Index Products and Fixed Income Products (TARGET2 and/or SNB cash accounts as well as CBF or SIX SIS settlement accounts) must be provided by all Clearing Members.

A Direct Clearing License entitles the Direct Clearing Member (DCM) to clear its Own Transactions, Customer-Related Transactions, NCM-Related Transactions of affiliated Non-Clearing Members and RC-Related Transactions. The type and scope of the group of affiliated companies shall be determined by Eurex Clearing AG. The Direct Clearing License relates to the Clearing of the following Transactions[3]:

□ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges) for the following MCR-Product Groups:

x Equity & Index Products[4]

x Fixed Income Products[5]

□ Interest Rate Swap Futures Products

□ International CBF-settled Products

□ UK & Irish Products

□ KOSPI Products

□ TAIFEX Products

□ FX Products

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Appendix 2 to the Clearing Conditions: Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Elementary Clearing Model

[…]

Part 3 Transaction Types included in the Clearing

The Non-Clearing Member/Registered Customer shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

o Registered Customer for the following Transaction Types:

□ Chapter VIII Part 2 Clearing of OTC Credit Derivative Transactions

[3] Each Transaction Type may, in this Clause 1, only be elected once.

[4] The infrastructure necessary to clear Equity & Index Products and Fixed Income Products (TARGET2 and/or SNB cash accounts as well as CBF or SIX SIS settlement accounts) must be provided by all Clearing Members.

- □ Chapter VIII Part 3 Clearing of OTC Interest Rate Derivative Transactions.

o Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges) for the following MCR-Product Groups:
  - □ Equity & Index Products
  - □ Fixed Income Products
  - □ Interest Rate Swap Futures Products
  - □ International CBF-settled Products
  - □ UK & Irish Products
  - □ KOSPI Products
  - □ TAIFEX Products
  - □ FX Products

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Appendix 3 to the Clearing Conditions: Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation

[…]

Part 3 Transaction Types included in the Clearing; Direct Segregated Margin Transfer and Retransfer

1 Transaction Types included in the Clearing

The ICM Client shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

o Registered Customer for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter VII Transactions Concluded on the European Energy Exchange (EEX)

- □ Chapter VIII Part 2 Clearing of OTC Credit Derivative Transactions
- □ Chapter VIII Part 3 Clearing of OTC Interest Rate Derivative Transactions.

o Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges) for the following MCR-Product Groups:
  - □ Equity & Index Products
  - □ Fixed Income Products
  - □ Interest Rate Swap Futures Products
  - □ International CBF-settled Products
  - □ UK & Irish Products
  - □ KOSPI Products
  - □ TAIFEX Products
  - □ FX Products

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Appendix 4 to the Clearing Conditions: Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer

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Part 3 Transaction Types included in the Clearing; Direct Segregated Margin Transfer and Retransfer

1 Transaction Types included in the Clearing

The ICM Client shall participate in the Clearing pursuant to this ICM Participation Agreement in accordance with the following elections:

o Registered Customer for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
- □ Chapter VII Transactions Concluded on the European Energy Exchange (EEX)
- □ Chapter VIII Part 2 Clearing of OTC Credit Derivative Transactions
- □ Chapter VIII Part 3 Clearing of OTC Interest Rate Derivative Transactions.

o Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges) for the following MCR-Product Groups:
  - □ Equity & Index Products
  - □ Fixed Income Products
  - □ Interest Rate Swap Futures Products
  - □ International CBF-settled Products
  - □ UK & Irish Products
  - □ KOSPI Products
  - □ TAIFEX Products

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Appendix 8 to the Clearing Conditions: Clearing Agreement with a Net Omnibus Non-Clearing Member and/or Net Omnibus Registered Customer for the Net Omnibus Clearing Model

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Part 3 Transaction Types included in the Clearing

The Net Omnibus Non-Clearing Member/Net Omnibus Registered Customer shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

o Net Omnibus Registered Customer for the following Transaction Types:

- □ Chapter VIII Part 2 Clearing of OTC Credit Derivative Transactions

- □ Chapter VIII Part 3 Clearing of OTC Interest Rate Derivative Transactions

o Net Omnibus Non-Clearing Member for the following Transaction Types:

- □ Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges) for the following MCR-Product Groups:
  - □ Equity & Index Products
  - □ Fixed Income Products
  - □ Interest Rate Swap Futures Products
  - □ International CBF-settled Products
  - □ UK & Irish Products
  - □ KOSPI Products
  - □ TAIFEX Products
  - □ FX Products

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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3 Clearing of ~~OTC~~Off-Book Trades

[…]

3.8 If Off-Book~~TC~~ Trades do not correspond to the specifications and requirements defined in these General Conditions for Participation and the Clearing Conditions, or if Participants do not comply with the general conditions for utilization pursuant to ~~Section~~ number 6 of these General Conditions for Participation, Eurex Clearing AG can refuse to clear such Off-Book~~TC~~ Trades. Off-Book~~TC~~ Trades in Interest Rate Swap Futures Contracts, which, contrary to Number 6.3, are entered on the last trading day after expiry of the Off-Book~~TC~~ Period of Use, will not be included in the clearing and will not come into existence towards Eurex Clearing AG. For technical reasons, the system of Eurex Clearing AG does ~~not~~ create a trade confirmation with respect to those trades, which are not included in the clearing. Participants must not rely on such trade confirmations, which confirm the conclusion of a trade on the last trading day after expiry of the Off-Book~~TC~~ Period of Use. Provided that the Conditions agreed upon by a Participant with its Clearing Member pursuant to Number 3.5 are not fulfilled, Eurex Clearing AG does not conduct the clearing of Off-Book~~TC~~ T~~t~~rades of this Participant.

[…]

9 Admitted Products, Combinations and Combination Transactions Option-Share

9.1 EFP-Fin Trade ~~Facility~~Service

Eurex Clearing AG has admitted the following products to the EFP-Fin Trade ~~Facility~~Service:

[...]

- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 2 years ("FSWS Future")
- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 5 years ("FSWM Future")
- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 10 years ("FSWL Future")
- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 30 years ("FSWX Future")

[...]

9.2 EFPI Trade ~~Facility~~Service

[...]

9.3 EFS Trade ~~Facility~~Service

Eurex Clearing AG has admitted the following products to the EFS Trade ~~Facility~~Service:

[...]

- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 2 years ("FSWS Future")
- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 5 years ("FSWM Future")
- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 10 years ("FSWL Future")
- § Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 30 years ("FSWX Future")

[...]

9.4 Block Trade ~~Facility~~Service

Eurex Clearing AG has admitted to the Block Trade service the following products and Combinations Transactions Option-Share ~~listed in the following to the Block Trade Facility~~Service. Such admission is independent from the respective transactions being entered into the Eurex ~~Clearing~~ System within the scope of an options strategy, an

options volatility strategy or as a Combination Transaction Option-Share, consisting of off-Book~~OTC~~ options transactions and off-book~~OTC~~ securities transactions.

9.4.1 Admitted Products:

Product	Minimum number of tradable contracts
[...]	
Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 2 years ("FSWS Future")	1.000
Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 5 years ("FSWM Future")	500
Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 10 years ("FSWL Future")	250
Futures Contracts on an Interest Rate Swap denominated in Euro with a term of 30 years ("FSWX Future")	100
[...]	

[...]

10 Underlyings for the EFP Trade ~~Facility~~Service

Eurex Clearing AG has admitted the following combinations of underlyings and Futures contracts:

Admitted Underlyings (Reporting Transaction)	Transaction creating a position
Debt securities[1]	Eurex Fixed Income Futures or Eurex Interest Rate Swap Futures respectively

Admitted Underlyings (Reporting Transaction)	Transaction creating a position
Eurex or Non-Eurex Money Market Futures	Eurex Fixed Income Futures or Eurex Interest Rate Swap Futures respectively
Eurex or Non-Eurex Fixed Income Futures[2]	Eurex Fixed Income Futures or Eurex Interest Rate Swap Futures respectively

[1] All debt securities which show a price correlation – or in case of credit, a spread correlation – to the futures contract exchanged resulting in the futures contract representing an appropriate hedge instrument for cash transactions, may be part of an EFP trade pursuant to Number 2.1.2 of these General Conditions for Participation.

The cash transaction underlying the EFP trade has to be denominated in a currency of the OECD Member States.

[2] Non-Eurex Fixed Income Futures or Eurex Interest Rate Swap Futures respectively within this meaning are all Fixed Income Futures or Eurex Interest Rate Swap Futures respectively traded outside the Eurex exchanges, whose design does not correspond to the essential specifications of the Fixed Income Futures or Eurex Interest Rate Swap Futures respectively traded on the Eurex exchanges.

[...]

Annex A to the General Conditions for Participation:

Off-Book~~TC~~ Periods of Use (all times in CET)

Futures Contracts

[…]

Interest Rate Futures Contracts

Product	Product-ID	Start-End
Euro Schatz Futures	FGBS	08:00- 22:00
Euro Bobl Futures	FGBM	08:00-22:00
Euro Bund Futures	FGBL	08:00-22:00
Euro Buxl® Futures	FGBX	08:00-22:00
Futures on 2-year Euro Swaps[1]	FSWS	08:30-19:00
Futures on 5-year Euro Swaps[1]	FSWM	08:30-19:00
Futures on 10-year Euro Swaps[1]	FSWL	08:30-19:00
Futures on 30-year Euro Swaps[1]	FSWX	08:30-19:00
Short-term Euro-BTP Futures	FBTS	08:00-19:00
Mid-term Euro-BTP-Futures	FBTM	08:00-19:00
Euro-BTP Futures	FBTP	08:00-19:00
Euro-OAT Futures	FOAT	08:00-19:00
Mid-Term-Euro-OAT Futures	FOAM	08:00-19:00
CONF Futures	CONF	08:30-17:00

[1] On the last trading day off-book period of use in the expiring contract months ceases at 12:15CET

[...]

****

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

3.1 Matching / Recording of Derivatives Transactions (Trade)

3.1.1 Exchange Transactions (excluding Block Auction)

For transactions executed on the Eurex Exchanges, the following fees per contract apply. For some products specified in the table below, a reduced fee is applied on the contract volume of a transaction that exceeds the defined threshold. For transactions booked on M-Accounts, the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to Stock Futures that are correctly booked on M-accounts. In these cases, the sliding fee scale as defined in sentence 2 applies.

Contract *	**Currency**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[...]					
Interest Rate Derivatives					
Futures					
2-year, 5-year, 10-year and 30-year Euro Swap Futures	EUR	0.20	n.a.		
[...]					

* The fees already accumulated in connection with a transaction pursuant to Number 3.1.1.1 of the Price Schedule of Eurex Clearing AG will be cancelled, if such transaction was rescinded pursuant to the regulations under Number 2.7 of the Conditions for Trading at Eurex Deutschland and Eurex Zürich.

[...]

[...]

3.1.3 Off-Book~~TC~~ Transactions

(1) For transactions executed ~~OTC~~off-book and entered into the Eurex ~~Clearing~~ System via the Eurex~~OTC~~ trade entry ~~facilities~~Sservices (as described in the Conditions for Utilization of the Eurex~~OTC~~ Trade Entry ~~Facilities~~Services), the following fees per contract apply. For some products specified in the table below a reduced fee is applied on the contract volume of an off-book~~OTC~~ transaction entered into the Eurex ~~Clearing~~ System that exceeds the defined threshold. For transactions booked on M-Account the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to transactions in stock futures that are correctly booked on M-accounts. In these cases the sliding fee scale as defined in sentence 2 applies.

(2) For off-book~~OTC~~ transactions in products other than stock options/LEPOs and Options on Interest Rate Futures that are entered into the Eurex ~~Clearing~~ System via the Eurex~~OTC~~ trade entry S~~s~~ervice~~facility~~ for multilateral trades (Multilateral Trade Registration) the standard fee is applicable on the entire volume of the transaction. In these cases, the reduced fee is not applied.

Contract	**Currency**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[...]					
Interest Rate Derivatives					
Futures					
2-year, 5-year, 10-year and 30-year Euro Swap Futures	EUR	0.30	n.a.		
[...]					

[…]

3.3 Position Closing Adjustments

Position Closing Adjustments, if these do not take place between 13:30 CET on the day of trade and before 13:30 CET of the following trading day:

Contract	**Fee per Contract**
[...]	
Interest Rate Derivatives	

Contract	Fee per Contract	
[...]		
Options on Three-Month EURIBOR Future, One-Year, Two-Year, Three-Year and Four-Year EURIBOR Mid-Curve Options on Three-Month EURIBOR Future Euro-Bobl-Futures, Options on Euro-Bobl-Futures, Euro-BTP-Futures Mid-Term-Euro-BTP Futures, Short-Term-Euro-BTP Futures, Euro-Bund-Futures, Options on Euro-Bund-Futures, Euro-Buxl®-Futures, Euro-OAT-Futures, Mid-Term-Euro-OAT Futures, Options on Euro-OAT Futures, Euro Schatz-Futures, Options on Euro-Schatz-Futures, 2-year, 5-year, 10-year and 30-year Euro Swap Futures	EUR	0.40
[...]		

[…]

3.5 Determination of the Bonds / Swaps /currency to be delivered (Notification)

Contract	Fee per Contract:	
Interest Rate Derivatives		
CONF Futures	CHF	0.30
Euro Bobl Futures, Euro-BTP-Futures, Mid-Term-Euro-BTP Futures Short-Term-Euro-BTP Futures, Euro Bund Futures, Euro Buxl® Futures, Euro-OAT-Futures, Mid-Term-Euro-OAT Futures, 2-, 5-, 10- and 30-year Euro Swap Futures	EUR	0.20

Contract	Fee per Contract:	
FX Derivatives		
FX Futures	USD	0.30

3.6 Allocation of the Bonds/Swaps/currency to be delivered (Allocation)

Contract	Fee per Contract	
Interest Rate Derivatives		
CONF Futures	CHF	0.30
Euro Bobl Futures, Euro BTP Futures, Mid-Term-Euro-BTP Futures, Short-Term-Euro-BTP Futures, Euro Bund Futures, Euro Buxl® Futures, Euro-OAT Futures, Mid-Term-Euro-OAT Futures, Euro Schatz Futures, 2-, 5-, 10- and 30-year Euro Swap Futures	EUR	0.20
FX Derivatives		
FX Futures	USD	0.30

[…]

Euro-Swap Futures

Delivery Process
Attachment 4, Eurex Clearing circular 092/14

17 July 2014

eurex clearing

Delivery Process - Last Trading Day (= two Business Days prior to the Swap Effective Day)

1. 12:15 CET: Swap Futures‘ trading in front month terminates at 12:15 CET (Last Trading Day), i.e. two business days before third Wednesday (IMM date)

2. 12:15 CET: The Final Settlement Price is determined by Eurex as the volume-weighted average price of the futures contract in a certain time period

3. Until 20:00 CET Eurex Clearing Members (“CMs”) and their clients can undertake futures position transfers/give ups/Clearer changes as per standard futures clearing offering

4. After 20:00 CET all futures positions are final and no transfers are possible anymore

Delivery Process - Delivery Day (= one Business Day prior to the Swap Effective Day)

1. After 05:00 a.m. CET: Standard overnight Futures Reporting (Eurex Clearing report CB020) is sent to Clearing Members including the final swap futures positions in the expiring front month contract

2. At 08:00 a.m. CET: The Futures positions are transferred into swap positions and booked using the following algorithm to a Clearing Member's or his segregated client's account:

   - Futures NCM positions will be matched to relevant Registered Clients if possible (i.e. if the same segregation model and clearer was used by the client for listed and OTC derivatives)
   - Otherwise positions will be booked on a standard omnibus segregated agency account under the Elementary Clearing Model (gross booking, i.e. one booking for all receiver, one for all payer swaps). The respective clearing member then has to re-allocate the positions to the corresponding accounts for OTC derivatives.

The aforementioned bookings do not require a novation process, as the futures are already cleared with the CM (i.e. "mandatory clearing")

The gross swap bookings will be identifiable for the CM via a generic text field and be reported similar to all new Market Wire swaps

CMs can change allocations via standard "Trade Transfer" functionality using the GUI or API in EurexOTC Clear from 08:00 CET onwards

3. 08:00 a.m. CET: Standard last Futures Variation Margin ("VM") is paid/ received and Swap Margin will be charged

Delivery Process - Swap Effective Day (= IMM Wednesday)

1. 08:00 CET: Standard Swap Variation Margin is due

2. 08:00 CET: Swap Upfront Payment is received/paid.

Eurex calculated the Swap Upfront Payment “SUP” in the course of the swap delivery on the Delivery Day already. The SUP is calculated as

(Number of futures contracts x futures notional value x (FSP - 100)) / 100

If the market implied swap rate on the last trading day was below the futures contract’s notional fixed rate, i.e. the FSP settled above 100, a Future’s Long (Short) would pay (receive) the difference and vice versa. The payment will be part of the swap booking.

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