



eurex clearing *circular 158/14*

Date: 7 November 2014
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
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GC Pooling®: Introduction of Swiss francs as additional GC Pooling® cash currency

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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. Price List for Eurex Clearing AG

Summary:

Effective **1 December 2014**, the Executive Board of Eurex Clearing AG has approved the introduction of Swiss francs as an additional cash currency for GC Pooling®. Swiss francs will be eligible for trading against the GC Pooling® ECB, ECB EXTended and INT MXQ baskets. The standard trading terms excluding the overnight trading term (front leg settlement date same as trade date) will be offered.

This circular contains the updated sections of the Clearing Conditions and the Price List for Eurex Clearing AG with respect to the above-mentioned initiative.

GC Pooling®: Introduction of Swiss francs as additional GC Pooling® cash currency

1. Timeline and scope

In October 2014, Eurex Clearing extended trading in the GC Pooling® ECB EXTended and GC Pooling® INT MXQ (International Maximum Quality) baskets to U.S. dollar. In accordance with our ongoing strategy to expand the flexibility and depth of our GC Pooling® product offering, Eurex Clearing now introduces Swiss francs as an additional cash currency for GC Pooling®.

Effective 1 December 2014, Swiss francs will also be available as cash currency for GC Pooling®. Swiss francs will be eligible for trading against the GC Pooling® ECB, ECB EXTended and INT MXQ baskets. The standard trading terms excluding the overnight trading term (front leg settlement date same as trade date) will be offered.

2. Trading hours

Swiss francs will be tradable in the above-mentioned baskets at Eurex Repo during the regular trading hours (07:30 to 18:00 CET).

3. Settlement

Similar to GC Pooling® in U.S. dollar (US GC Pooling®), 6-series cash accounts for Clearstream Banking Frankfurt (CBF) respectively dedicated cash accounts for CBL customers will be used for GC Pooling® in Swiss francs (CHF GC Pooling®) cash settlement. Settlement will take place between 7:00 and 12:45 CET. The target settlement time for delivery and payment obligations vis-à-vis Eurex Clearing will be 11:30 CET (see also attachment 1).

The shaping block size has been set to CHF 50 million.

Similar to GC Pooling® in euro (EUR GC Pooling®), CHF GC Pooling® transactions will not be able to be settled against credit lines at Clearstream Banking Luxembourg. Liquidity is to be provided by the participant before settlement can take place.

CHF GC Pooling® transactions will be reflected in existing Eurex Clearing reports in line with EUR GC Pooling® and USD GC Pooling®.

4. Collateral management

As with the GC Pooling® currencies euro and U.S. dollar, collateral management services will be provided by Xemac® and CmaX® for CBF and CBL customers, respectively. Securities collateral which has been transferred to the CHF GC Pooling® cash provider can be reused as margin collateral towards Eurex Clearing. As it is the case for USD GC Pooling®, securities received in the ECB basket while trading against Swiss francs can also be re-used vis-à-vis Deutsche Bundesbank or Banque Centrale du Luxembourg.

5. Fees

Fees for CHF GC Pooling® are in line with the current fees charged in conjunction with EUR GC Pooling® and USD GC Pooling® and are set to 0.35 basispoints per annum with a minimum fee of CHF 12.00 (see also Attachment 2).

In line with Eurex Clearing's processing of fees in Swiss francs, CHF GC Pooling® fees will be deducted from Members' Swiss National Bank account.

6. Set-up procedures

Members who wish to trade Swiss francs against the above-mentioned GC Pooling® baskets are requested to contact Eurex Repo Account Management via e-mail (sales@eurexrepo.com) for the necessary set-up forms.

For Xemac[®] participants, Eurex Clearing will enter new contracts in Xemac[®], which need to be confirmed by the Member for each Member reference (Clearing Member ID/Trading Member ID). Directly after conclusion of the Xemac[®] contracts, the initial claim with value "0" will be entered by Clearstream.

7. Amendments to the Clearing Conditions for Eurex Clearing AG

The amended sections of the Clearing Conditions for Eurex Clearing AG regarding the addition of Swiss francs as an additional GC Pooling[®] cash currency as described above can be found in attachment 1 to this circular.

As of 1 December 2014, the fully amended Clearing Conditions will be available for download on the website of Eurex Clearing 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 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 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 (2), Number 7.2.1 (4) and Number 13 of the Clearing Conditions shall remain unaffected.

8. Amendments to the Price List for Eurex Clearing AG

In conjunction with the above-mentioned introduction of Swiss francs as a new GC Pooling[®] cash currency, the corresponding amended sections of the Price List for Eurex Clearing can also be found as attachment 2 to this circular.

As of 1 December 2014, the full amended Price List will be available for download on the website of Eurex Clearing www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Price list

Pursuant to Number 14 (3) of the Price List of 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.

7 November 2014

Clearing Conditions for Eurex Clearing AG

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)

[...]

Part 2 Clearing of Transactions at Eurex Repo GmbH

[...]

2.2 General Provisions

[...]

(2) The procedure for delivery and payment resulting from Eurex Repo Transactions, the following provisions shall apply in addition to Chapter I, Part 1, Numbers 1.2.5 and 1.4:

[...]

(d) Delivery and payment with regard to GC Pooling Repo transactions:

[...]

With regard to GC Pooling transactions settled in Euro on a Business Day other than the trade date, any delivery or payment incumbent on the Clearing Member must be made available for settlement in such a way that the Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG for the relevant day of performance during the first Same Day Settlement run of the day ("**SDS1**") of Clearstream Banking AG. With regard to GC Pooling transactions settled in ~~currencies other than Euro~~U.S. Dollar on a Business Day other than the trade date, any delivery or payment incumbent on the Clearing Member must be made available for settlement in such a way that the Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG until 3:00 p.m. CET on the relevant day of performance. With regard to GC Pooling transactions settled in currencies other than Euro or U.S. Dollar on a Business Day other than the trade date, any delivery or payment incumbent on the Clearing Member must be made available for settlement in such a way that the Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG until 11:30 a.m. CET on the relevant day of performance.

Clearing Conditions for Eurex Clearing AG

[...]

2.6

Failure to Deliver

(1) Any failure to make a payment or delivery when due shall be governed by the following procedure:

(a) Failure to Deliver by the delivery day of the Front Leg:

[...]

If, as opposed to the provisions in Chapter IV Number 2.2 Paragraph (2) (d), a Clearing Member does not comply with its obligation to perform during SDS1 with regard to GC Pooling transactions in Euro or until 3:00 p.m. CET with regard to GC Pooling transactions in U.S. Dollar or until 11:30 a.m. CET with regard to GC Pooling transactions in currencies other than Euro and U.S. Dollar respectively, it may – irrespective of the above provision – be in intraday default. To the extent a Clearing Member is in intraday default, Eurex Clearing AG may charge an expense allowance of EUR 2,000 for each defaulting GC Pooling Repo Transaction to cover its operative additional expenditure. Furthermore, Eurex Clearing AG shall be entitled to invoice the Clearing Member – until such point in time on which the obligation to perform is fulfilled – for any interim financing costs incurred, up to the value of the STOXX GC Pooling EUR ON Index (“**SGCPON**”) published by Bloomberg or Reuters plus 50 basis points p.a., in relation to the value of the underlying GC Pooling Transaction or the due cash amount respectively.

(b) Failure to Deliver by the delivery day of the Term Leg

[...]

Price List for Eurex Clearing AG

AMENDMENTS ARE MARKED AS FOLLOWS:

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DELETIONS ARE CROSSED OUT

[...]

5. Transaction Fees for Eurex Repo GmbH

[...]

	Transaction fee ** for all Repo Transactions with the exception of GC Pooling Select	Transaction fee ** for GC Pooling Select Repo-Transactions
Clearing Member*	0.0035 % p.a. Minimum fee *** EUR 10.00, CHF 12.00 or USD 14.00 respectively	0.0070 % p.a. Minimum fee*** EUR 10.00, CHF 12.00 or USD 14.00 respectively
Specific Repo License Holder	n.a.	0.0000

* GCM, DCM, NCM

** In relation to the purchase price of the Front-Leg and the period of time between the starting date for the Front-Leg (inclusive) and the end date for the Term-Leg of the respective Repo Transaction (exclusive), such calculation being made on the basis of Act/360

*** Per concluded transaction, depending on the currency of the underlying Repo transaction

[...]