

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

Clearing of OTC Derivative Transactions

As of 05.03.2018

	Eurex04e
Clearing Conditions of Eurex Clearing AG	05.03.2018
	Page 2

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.4 CTM Transactions and STM Transactions

- (1) A Clearing Member may, by way of an STM Election, elect that all (but not some only) of its STM Eligible Transactions shall be cleared as STM Transactions. In the case of Existing STM Eligible Transactions, the CTM Transactions shall be established as STM Transactions upon the STM Effective Date pursuant to Paragraph (2). In the case of Original STM Eligible Transactions, the OTC Interest Rate Derivative Transactions created by way of novation pursuant to Part 1 Number 1.2.1 shall be converted into STM Transactions upon such novation pursuant to Paragraph (3) below. In the case of Transfer STM Eligible Transactions, the OTC Interest Rate Derivative Transactions created by way of novation pursuant to Number 2.7 in connection with Chapter I Part 1 Number 1.2.2 Paragraph (5)(c) shall be converted into STM Transactions upon such novation pursuant to Paragraph (4) below. With respect to OTC IRS U.S. Clearing Members and OTC IRS FCM Clients, all OTC Interest Rate Derivative Transactions can only be cleared as STM Transactions.

[...]

2.1.7 Margin Requirements

[...]

- (3) The Variation Margin Requirement, ~~OTC IRS FCM Client Variation Margin Requirement~~ or Basic Clearing Member Variation Margin Requirement (each as defined in Chapter I Part 2 Subpart A Number 5, Subpart B Number 6, Subpart C Number 7, Part 3 Subpart A Number 6, ~~Part 4 Number 6~~ or Part 5 Number 8, as

	Eurex04e
Clearing Conditions of Eurex Clearing AG	05.03.2018
	Page 3

applicable), and/or any Redelivery Amount, as the case may be, for CCP Transactions that are OTC Interest Rate Derivative Transactions and CTM Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (Number 2.1.5) as follows: For each outstanding CCP Transaction concluded prior to the relevant Business Day, the relevant profit or loss amount shall be the difference between the daily evaluation prices of the CCP Transaction on the relevant Business Day and the previous Business Day. For CCP Transactions concluded on the relevant Business Day, the relevant profit or loss amount shall be the difference between zero and the daily evaluation price for such Business Day. Additionally, the Variation Margin, the FCM Client Variation Margin or the Basic Clearing Member Variation Margin includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the coupon payments and transaction fees on the current Business Day are added and the coupon payments and transaction fees on the next Business Day (second next Business Day for DKK, NOK, SEK and JPY) of the respective currency are subtracted.

- (4) Eurex Clearing AG will charge the price alignment interest (“PAI”) to the Clearing Member, ~~the OTC IRS FCM Clearing Member (for the account of the OTC IRS FCM Client)~~ or the Basic Clearing Member together with the Variation Margin, ~~the OTC IRS FCM Client Variation Margin~~ or the Basic Clearing Member Variation Margin, as the case may be. It corresponds to the overnight interest paid or received on the cumulative Variation Margin, ~~OTC IRS FCM Client Variation Margin~~ or Basic Clearing Member Variation Margin over the lifetime of the portfolio. The cumulative Variation Margin, ~~OTC IRS FCM Client Variation Margin~~ or Basic Clearing Member Variation Margin, respectively, of the previous Business Day corresponds to the value of the IRS portfolio on the previous Business Day.

[...]

2.7 Transfer of CCP Transactions and Account Transfer

[...]

- (5) If the CCP Transaction to be transferred is an STM Transaction and no STM Election is or has been made ~~no STM Election is made~~ or no STM Election is permitted with respect to the CCP Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (c), the relevant CCP Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (c) shall be established as a CTM Transaction and the additional primary payment obligations of the Clearing Member and Eurex Clearing AG set out in Number 2.2.1 Paragraph (5) shall not arise with respect to such Transaction, under the CCP Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (c).

[...]
