

Chapter I of the Clearing Conditions of Eurex Clearing AG

## General Provisions

As of 13.06.2016

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 1

\*\*\*\*\*

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

\*\*\*\*\*

## General Provisions

### Preamble

Eurex Clearing AG, having its registered office in Frankfurt am Main, acts as central counterparty for (a) (i) transactions in securities and *Wertrechte*, including German book-entry securities (*Gutschriften in Wertpapierrechnung*) and Swiss intermediated securities (*Schweizer Bucheffekten*) (hereinafter together the “**Securities**”) and (ii) futures, options and other derivative transactions, which, in each case, result from either matching orders and quotes of trading participants (the “**Matching**”) on the markets Eurex Deutschland, Eurex Zürich, Eurex Bonds, Eurex Repo, Frankfurter Wertpapierbörse and Irish Stock Exchange (hereinafter collectively referred to as “**Markets**” and each a “**Market**”, each Transaction resulting from Matching a “**Market Transaction**”), (b) novations of transactions executed over-the-counter (each transaction resulting from an over-the-counter transaction an “**OTC Transaction**”) or (c) novations of executed over-the-counter securities or cash lending transactions or securities lending transactions executed on Eurex Repo (each transaction resulting from a novation of any such **securities** (or cash) **lending transaction** a “**Securities Lending Transaction**”, and each Market Transaction, OTC Transaction and Securities Lending Transaction, a “**Transaction**”).

Hereinafter (i) the conclusion by Eurex Clearing AG as central counterparty of Transactions of one or more Transaction Types (as defined in Number 1.1.2), (ii) the processing by Eurex Clearing AG of such Transactions in preparation for the fulfilment of all obligations resulting therefrom, and (iii) the related services rendered by Eurex Clearing AG, in each case as set out in Chapters I–IX (the “**Clearing Conditions**”), shall together be referred to as “**Clearing**”.

This Chapter I forms an integral part of the Clearing Conditions and respective references in any other rules or documents to the Clearing Conditions also apply to this Chapter I

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 2

## Part 1 General Clearing Provisions

[...]

### 2.1.2 General Prerequisites for Clearing Licenses

[...]

(4) The applicant (other than an applicant that intends to become a U.S. Clearing Member) shall have available the following accounts:

(a) Securities Accounts:

[...]

(bb) for purposes of providing Segregated Margin in the form of Securities pursuant to the Individual Clearing Model Provisions through accounts with Clearstream Banking AG, (i) a securities account with Clearstream Banking AG for each of its Non-Clearing Members and Registered Customers pursuant to the Individual Clearing Model Provisions and/or (ii) a securities account with Clearstream Banking AG for several of its Non-Clearing Members and/or Registered Customers pursuant to the Individual Clearing Model Provisions, in each case if applicable and if the Clearing Member does not use Xemac in order to transfer title to the Securities which form part of the Segregated Margin to Eurex Clearing AG; the Securities are attributed to the relevant Non-Clearing Member or Registered Customer, respectively, in the case of (i), by booking them into the securities account and in the case of (ii), by booking them into the securities account and stating the specific customer identifier pursuant to Part 3 [Subpart A](#) Number 4.3 (the "**Securities Margin Account**");

[...]

[...]

[...]

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 3

## Part 3 Subpart A: General Provisions for ICM-ECD and ICM-CCD

[...]

### 4 Internal Accounts of Eurex Clearing AG and the Clearing Member

#### 4.1 Internal Accounts of Eurex Clearing AG

In addition to the internal accounts set out in Number 4 of the General Clearing Provisions, Eurex Clearing AG shall establish and maintain with respect to the Clearing Member the following internal accounts with respect to the relevant Standard Agreement:

##### 4.1.1 Internal Cash Account

With respect to each currency accepted by Eurex Clearing AG an internal cash account (or in case the Sub Pool Provisions apply, a separate internal cash account in relation to each Sub Pool) (i) for the settlement of claims arising from Covered Transactions other than Settlement Claims, into which all daily settlement payments, option premiums and other cash payment obligations arising under the Covered Transactions shall be booked and (ii) for Settlement Claims.

The daily balance of each internal cash account (after taking into account the set-offs pursuant to Clearing Conditions) shall be debited or credited, as the case may be, to the respective Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in such account as Segregated Margin or Segregated Variation Margin.

##### 4.1.2 Internal Margin Account

An internal margin account (or in case the Sub Pool Provisions apply, a separate internal margin account in relation to each Sub Pool) for the Clearing Member in which all daily credits and debits of Eligible Margin Assets pursuant to the Individual Clearing Model Provisions will be recorded (the “**Segregated Internal Margin Account**”).

##### 4.1.3 Separate Accounting for Funds

Eurex Clearing AG will separately account for the relevant positions and the relevant margin collateral provided under Covered Transactions entered into in relation to each Relevant Fund and each Relevant Fund Segment.

##### 4.1.4 Use of Sub Pools

The Clearing Member may request Eurex Clearing AG by submitting to Eurex Clearing AG a duly completed form prescribed for such purpose by Eurex Clearing AG to maintain separate operational sub pools (each a “**Sub Pool**”) in relation to

(i) Covered Transactions relating to one ore more Transaction Types and/or

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 4

(ii) (a) Covered Transactions referring to own transactions of the relevant ICM Client and (b) Covered Transactions referring to customer related transactions of the relevant ICM Client,

whereupon, if Eurex Clearing AG accepts such request (to which it shall not be obliged), the provisions for the operational handling of Sub Pools ("**Sub Pool Provisions**") shall apply with respect to each of the relevant Sub Pools.

Each Sub Pool shall operationally be treated separately from any other Sub Pool, subject to and in accordance with the Sub Pool Provisions. For the avoidance of doubt, the usage of Sub Pools is not intended to, and accordingly may not, meet the requirements of any regulatory segregation requirements. The usage of Sub Pools will in particular, without limitation, neither result in additional Standard Agreements, separate Difference Claims nor Relevant Difference Claims.

In case the Sub Pool Provisions apply, the Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG, that

- (i) it has informed the ICM Client of its election to use Sub Pools in connection with the Clearing and of any potential adverse economic effects that usage of Sub Pools may have for that ICM Client in comparison to the Clearing of Covered Transactions without use of Sub Pools; and
- (ii) the ICM Client is willing to bear the potential economic risks and adverse effects which are related to a usage of Sub-Pools, in particular, without limitation, in terms of potentially higher Default Margin Requirements and ~~Default~~ Clearing Fund Contribution requirements resulting from the operational treatment associated with the usage of Sub Pools.

#### **4.2 Internal Accounts of the Clearing Member**

The Clearing Member shall establish an internal accounting with respect to the Individual Clearing Model Provisions to record in relation to Eurex Clearing AG and the relevant ICM Client (i) all Covered Transactions, (ii) all payments and deliveries under Covered Transactions, (iii) all Segregated Margin and Segregated Variation Margin actually delivered and (iv) all Redelivery Claims. In case the Sub Pool Provisions apply, the Clearing Member shall reflect the Sub Pools in its internal accounting.

The Clearing Member will furthermore separately account for the relevant positions and the relevant margin collateral provided under Covered Transactions entered into in relation to each Relevant Fund and each Relevant Fund Segment, if applicable.

#### **4.3 Methods of assigning transfers of Eligible Margin Assets to a Standard Agreement**

The Clearing Member shall establish and provide to Eurex Clearing AG a specific customer identifier with respect to the ICM Client and, in case the Sub Pool Provisions apply, the customer identifier shall include an identifier of the relevant Sub Pool. Any

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 5

transfer of Eligible Margin Assets to Eurex Clearing AG in respect of Segregated Margin or Segregated Variation Margin shall clearly refer to the applicable customer identifier.

[...]

## 5.2 Margin Requirement

5.2.1 The amount of Eligible Margin Assets to be delivered as cover in respect of Segregated Margin by the Clearing Member shall be determined in accordance with Number 3.1 of the General Clearing Provisions (the “**Default Margin Requirement**”) and will be notified by Eurex Clearing AG to the Clearing Member.

5.2.2 In order to determine the Default Margin Requirement of the Clearing Member, Eurex Clearing AG will determine separate margin requirements for (i) such Covered Transactions referring to own transactions of the relevant ICM Client and (ii) such Covered Transactions referring to customer related transactions of the relevant ICM Client, provided that in each case credit balances on any internal transaction account shall not be taken into account, and then calculate the sum of such separate margin requirements.

5.2.3 In case the Sub Pool Provisions apply, Eurex Clearing AG will determine separate Default Margin Requirements of the Clearing Member separately in relation to each such Sub Pool, provided that in each case credit balances on any internal transaction account shall not be taken into account.

## 5.3 Margin Call

5.3.1 If Eurex Clearing AG at any time on any Business Day determines that the aggregate value of the Segregated Margin actually delivered (in case the Sub Pool Provisions apply, in relation to a particular Sub Pool) is insufficient to meet the Default Margin Requirement (in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool), Eurex Clearing AG will require the Clearing Member to deliver (additional) Eligible Margin Assets in an amount up to the Default Margin Requirement (in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool) by the time specified by Eurex Clearing AG.

For the avoidance of doubt, in case the Sub Pool Provisions apply, Segregated Margin actually delivered in relation to a particular Sub Pool will not be taken into account by Eurex Clearing AG when determining whether sufficient Segregated Margin has actually been delivered with respect to any other Sub Pool.

5.3.2 The Clearing Member may provide Eligible Margin Assets to Eurex Clearing AG in excess of the relevant Default Margin Requirement (the “**Excess Margin**”). Any Excess Margin actually delivered shall form part of the Segregated Margin and shall be subject to a Redelivery Claim which becomes due upon request by the Clearing Member.

5.3.3 If a Clearing Member elects to deliver (additional) Eligible Margin Assets in the form of cash pursuant to Number 3.3.2 of the General Clearing Provisions with respect to a Margin Call relating to Segregated Margin, then:

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 6

- (i) Eurex Clearing AG shall make the relevant debit entry in the Internal Elementary Proprietary Margin Account and the respective credit entry in the Segregated Internal Margin Account with such cash credit being allocated to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member pursuant to these Individual Clearing Model Provisions; and
- (ii) the aggregate value of Elementary Proprietary Margin actually delivered and the redelivery claim under the Elementary Proprietary Standard Agreement shall be reduced accordingly upon Eurex Clearing AG having made the corresponding records (which Eurex Clearing AG shall do without undue delay) in the Segregated Internal Margin Account pursuant to Number 4.1.2 and the Internal Elementary Proprietary Margin Account pursuant to Number 4.2 of the Elementary Clearing Model Provisions.

In case the Sub Pool Provisions apply, Eurex Clearing AG will process the booking of cash credits between Internal Segregated Margin Account with respect to Sub Pools relating to the same Standard Agreement upon request of the Clearing Member.

5.3.4 Non-compliance with the relevant Default Margin Requirement by the Clearing Member shall constitute a Termination Event pursuant to Number 7.2.1 Paragraph (1) of the General Clearing Provisions unless such non-compliance has been remedied by the Clearing Member by the time the Termination would occur.

5.3.5 The Clearing Member may at any time request from Eurex Clearing AG the redelivery of assets equivalent to Eligible Margin Assets actually delivered in respect of the Segregated Margin if the aggregate value of all Eligible Margin Assets actually delivered in respect of the Segregated Margin exceeds the relevant Default Margin Requirement applicable at the time of such request. In case the Sub Pool Provisions apply, the Clearing Member may not request such a redelivery, if any Default Margin Requirement for any Sub Pool is not fully satisfied. The Clearing Member may select – in accordance with any agreement between the Clearing Member and the ICM Client, if applicable – which Eligible Margin Assets credited to the Segregated Internal Margin Account pursuant to Number 4.1.2 shall be redelivered; Eurex Clearing AG will not and shall not be obliged to check whether there is, and whether the Clearing Member complies with, any such agreement.

#### 5.4 Direct Debit

To the extent Eligible Margin Assets have not yet been delivered by the Clearing Member with respect to a Margin Call pursuant to Number 5.3.1, Eurex Clearing AG shall be entitled to (and without having an obligation towards the Clearing Member to do so, will on or around the time specified) directly debit the Clearing Member Cash Account in an amount equal to the requested amount of Eligible Margin Assets in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Any such direct debit shall constitute fulfilment of the relevant Margin Call relating to the relevant Standard Agreement, and, in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool (and consequentially such direct debit will increase the Redelivery Claim).

	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 7

[...]

## 6.2 Segregated Variation Margin Requirement

Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Segregated Variation Margin. The party to the relevant Standard Agreement obliged to provide Segregated Variation Margin (the “**Segregated Variation Margin Provider**”), to the other party to such Standard Agreement (the “**Segregated Variation Margin Taker**”), and the amount of Eligible Margin Assets in form of cash to be delivered as cover in respect of Segregated Variation Margin (the “**Segregated Variation Margin Requirement**”) shall be determined in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and Chapter VIII Part 2 Number 2.1.6 Paragraph (3), as applicable.

Numbers 5.32.2 and 5.2.3 apply *mutatis mutandis*.

[...]

## 11 Re-Establishment of Transactions upon request by ICM-Client

Upon the occurrence of a Termination Date, the ICM Client may elect by giving notice to Eurex Clearing AG (the “**Re-Establishment Election Notice**”) (i) to re-establish the terminated Covered Transactions as interim participant (the “**IP Election**”) or (ii) to immediately re-establish the terminated Covered Transactions with a Replacement Clearing Member (as defined in Number 11.2.2) (the “**Immediate Re-Establishment Election**”) or (iii) not to re-establish the terminated Covered Transactions, in each case as soon as possible and at the latest by 13:00 hours (Frankfurt am Main time) on the Business Day following the Termination Date (the “**Re-Establishment Cut-Off Time**”).

If Eurex Clearing AG does not receive a Re-Establishment Election Notice in which either an IP Election or an Immediate Re-Establishment Election was made by the Re-Establishment Cut-Off Time, there will be no re-establishment of the terminated Covered Transactions and Number 7.3.2 and 7.3.3 and Subpart B Number 6.3.2 and 6.3.3 if applicable, apply.

With respect to the Clearing of Covered Transactions for Relevant Funds, the Authorised Manager may decide separately for each Relevant Fund whether it either declares an IP Election or an Immediate Re-Establishment Election. With respect to the Clearing of Covered Transactions for Relevant Fund Segments, the Authorised Manager may only decide collectively for all such Relevant Fund Segments whether it declares an IP Election or an Immediate Re-Establishment Election. Sub Pools will not be supported for the purpose of a re-establishment.

[...]

## 16.2 Direct Segregated Margin Retransfer

[...]



	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 13.06.2016
	Page 8

16.2.6 The ICM Client, by entering into an ICM Clearing Agreement, accepts in advance any offer by Eurex Clearing AG to transfer to the ICM Client any assets (that are credited to the Securities Margin Account of the Clearing Member that is referable to the ICM Client or are credited to the relevant Eurex Clearing Securities Margin Account and refer to the ICM Client) by way of a Direct Segregated Margin Retransfer. Section 151 BGB applies. The parties to the relevant ICM Clearing Agreement expressly agree that, in the event of a Direct Segregated Margin Retransfer, no title in the relevant asset shall pass through the Clearing Member.

**16.3 Sub Pools**

In case the Sub Pool Provisions apply, Number 16.1 and 16.2 shall apply mutatis mutandis.

[...]

\*\*\*\*\*