



eurex clearing *circular 007/17*

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Recipients: All affected customers
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Amendments to the Auction Terms of Eurex Clearing AG with regard to Buy-ins

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Content may be most important for:

☞ All departments

Attachment:

Amended version of the Auction Terms of Eurex Clearing AG ("Auction Terms")

As of **6 February 2017**, the following amendments to the Auction Terms of Eurex Clearing AG ("Auction Terms") with regard to the Buy-ins will become effective:

- With CCP Release 12.0, Eurex Clearing will harmonise the delivery terms for Buy-ins as far as possible.
- In case of amendments to the Auction Terms with regard to the Buy-ins, all affected customers will be informed at least 15 days in advance (please refer to the attachment for further information).

As of 6 February 2017, the amended Auction Terms with regard to the Buy-ins will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Clearing Conditions

Pursuant to Number 10 Paragraph (4) of the Auction Terms of Eurex Clearing AG ("Auction Terms"), the amendments to the Auction Terms as communicated in this circular shall be deemed to be approved by the Participant unless the Participant files a written objection with Eurex Clearing AG within ten (10) business days after the amendments were announced.

Auction Terms of Eurex Clearing AG

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

5. Execution of the auction

[...]

Central Securities Depository in charge of the settlement	Abbr.	Ceiling Price in percent of the last determined settlement price
Clearstream Banking AG Clearstream Banking S.A. Euroclear France Euroclear Belgium Euroclear Nederland SIX SIS AG The Depository Trust Company Euroclear UK & Ireland Limited Euroclear UK & Ireland Limited (Securities from Transactions on Irish Stock Exchange)(<u>Equity and Equity-like</u> Securities in Collective Safe Custody and held on a fiduciary basis)	CBF / CBL / SIC / CIK / NEC / SIS / DTC / EUI / EUI-ISE	200
Clearstream Banking AG Clearstream Banking S.A. VP Securities A/S (VP) Euroclear Bank (Fixed Income Securities in Collective Safe Custody and held on a fiduciary basis)	CBF / CBL / VPD / EB	103

[...]

Auction Terms of Eurex Clearing AG**6. Performance of auction transactions and default**

- (1) The sales contract shall be performed contemporaneously by the Participant's assignment of the securities to Eurex Clearing AG against payment of the sales price agreed upon by Eurex Clearing AG to the Participant. In case of fixed income securities, Eurex Clearing AG will pay interest accrued, if any, in addition to the sales price. The settling place for duties to be performed corresponds to the valid provisions in the Clearing Conditions applicable for transactions of securities of this kind and category. The Participant is obliged to assign the securities due contemporaneously without undue delay on the day the auction takes place, ~~but latest on the business day of Eurex Clearing AG following the auction~~ under consideration of the delivery terms indicated in the following chart to Eurex Clearing AG's securities portfolio account at the Central Securities Depository in charge of the settlement who has been determined by Eurex Clearing AG for the assignment of these securities in their Clearing Conditions. In individual cases, however, Eurex Clearing AG may demand of the Participant to perform the assignment of the securities due pursuant to special instructions.

Central Securities Depository in charge of the settlement	Abbr.	Delivery Term¹
Clearstream Banking AG (Securities held in Collective Safe Custody)	CBF	4016:00 CET
Clearstream Banking AG (Securities held on a fiduciary basis)	CBL	4016:00 CET
Euroclear Bank	EB	4016:00 CET
Euroclear Belgium	CIK	4016:00 CET
Euroclear France	SIC	4016:00 CET
Euroclear Nederland	NEC	4016:00 CET
Euroclear UK & Ireland Limited	EUI	45:5516:00 CET
Euroclear UK & Ireland Limited (Securities from transactions on Irish Stock Exchange)	EUI-ISE	45:5516:00 CET
SIX SIS AG	SIS	4015:030 CET
The Depository Trust Company	DTC	18:00² CET
VP Securities A/S (VP)	VPD	4115:00² CET

- (2) If a Participant fails to assign the securities due from an auction transaction within the performance period agreed upon, he shall be in default without advanced warning. Upon the beginning of default, Eurex Clearing AG is entitled to refuse the assignment of the securities due without providing a reason. Eurex Clearing AG is

¹ Frankfurt am Main local time

² In deviation of the above, assignments of the securities due are mandatory on the day after the auction takes place

Auction Terms of Eurex Clearing AG

entitled to receive payment from the defaulting Participant in the amount of 0.04 % of the stock market price or market value of the securities due at the moment of the default's beginning, however, no less than EUR 1,000.00-~~00~~ respectively AUD 2,000.00-~~00~~ respectively CAD 1,600.00-~~00~~ respectively CHF 1,500.00-~~00~~ respectively DKK 7,500.00-~~00~~ respectively GBP 900.00-~~00~~ respectively JPY 120,000.00-~~00~~ respectively NOK 8,200.00-~~00~~ respectively SEK 11,000.00-~~00~~ respectively USD 1,400.00-~~00~~. When converting fees into the invoice currency, Eurex Clearing AG will use a corresponding exchange rate. In case of auction transactions regarding fixed income securities, Eurex Clearing AG is merely entitled to receive from the defaulting Participant payment of the minimum amounts as set forth above.

- (3) In case of a Participant's default, Eurex Clearing AG may declare another Participant, whose bid in the auction procedure was closest in price to the defaulting Participant's bid, to accept his offer subject to his approval. The Participant is obliged to assign the securities due contemporaneously without undue delay, at the latest until 13.15~~00~~ h ~~Central European Time (CET)~~ Frankfurt am Main local time on the business day following the auction date, to Eurex Clearing AG's securities portfolio account at the Custodian who has been determined by Eurex Clearing AG for the assignment of these securities in their Clearing Conditions. Besides, paragraphs 1 and 2 shall apply accordingly.

[...]

10. Final provisions

[...]

- (4) Eurex Clearing AG may alter the Auction Terms at any time paying proper regard to the Participant's interests. The Participant will be notified of alterations of the Auction Terms at least 4015 business days prior to the alteration's coming into force. The alterations shall be deemed to be approved, unless the Participant files a written objection within 10 business days after such alteration was announced to him.
