

Eurex Clearing AG
ECAG Rule Certification 006-21
February 9, 2021

1. The text of the proposed stated policy is appended as Attachment A. This certification does not propose any express amendments to the Clearing Conditions of Eurex Clearing AG (“**Eurex Clearing**”) or FCM Regulations of Eurex Clearing.
2. The date of intended implementation is April 1, 2021.
3. Attached please find a certification that: (1) these amendments comply with the Commodity Exchange Act (the “Act”), and the Commission’s regulations thereunder; and (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <http://www.eurexclearing.com/clearing-en/resources/cftc-dco-filing>.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appears below.
5. There were no opposing views expressed regarding these amended rules.
6. Confidential treatment is not requested.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE PROPOSED RULE AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION’S REGULATIONS THEREUNDER

Eurex Clearing is setting forth the proposed stated policy stated in Eurex Clearing Circular 006/21 (appended as Attachment A) to change the calculation of Default Fund contributions from a percentage of Initial Margin approach to a Stress Loss-over-Margin (“**SLOM**”) based methodology. Currently, Default Fund contributions are calculated as a percentage of Initial Margin requirements while the operational monitoring and potential mitigation of excess exposure is founded on the SLOM metric. To streamline the two models, the calculation of Default Fund contributions will be aligned to a SLOM-based methodology. The key indicator metric SLOM is calculated as the difference of the simulated value of a portfolio under a certain stress scenario and the total margin requirement of the same portfolio to display potential losses not yet collateralized via margin requirements. The overall default fund size (“**DF**”) will be determined as the sum of the 60-business-day average ($\bar{\emptyset}_{60d}$) SLOM values of the two largest Clearing Member Groups (*CG*):

$$DF = \bar{\emptyset}_{60d} SLOM \text{ of largest } CG + \bar{\emptyset}_{60d} SLOM \text{ of 2nd largest } CG$$

The Default Fund contribution per Clearing Member (“**CM**”) is then consistently derived from the proportional SLOM values of each CM subtracting Eurex Clearing’s dedicated amount (ECAG_DA) from the size of the default fund to be distributed on CMs. A 30-business-day average is employed for the calculation of contributions with no changes to minimum Default Fund requirements (DF_{min}):

$$DF_{CM} = \max \left([DF - ECAG_{DA}] + \frac{\emptyset_{30d}SLOM^{CM}}{\emptyset_{30d}SLOM^{All}}, DF_{min} \right)$$

The current mitigation process for excess cover-2 exposure via Supplementary Margin remains unchanged. Unless the context requires otherwise, terms used and not otherwise defined herein shall have the meaning ascribed to them in the Clearing Conditions or FCM Regulations of Eurex Clearing, as applicable.

Further information regarding the operation, purpose, and effect of the proposed stated policy is discussed in Attachment A.

Eurex Clearing has identified the following DCO Core Principle as potentially being relevant to the above amendments:

1. DCO Core Principle G (Default Rules and Procedures): The proposed stated policy will comply with DCO Core Principle C because the new default fund contribution calculation will continue to allow for the efficient, fair, and safe management of events in a default situation.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7a-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that:

- (1) the amendments comply with the Commodity Exchange Act, and the Commission's regulations thereunder; and
- (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <http://www.eurexclearing.com/clearing-en/resources/cftc-dco-filing>.

/s/ Eric Seinsheimer

By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: February 9, 2021