

Eurex Clearing Circular 019/19

Introduction of an alternative Standard Pricing Model for Disclosed Clients with System Access or Basic Disclosed Clients with Reports and amendments to High Turnover Model

Summary

Effective **11 March 2019**, Eurex Clearing will introduce an alternative version of the existing Standard Pricing Model for Disclosed Clients with System Access or Basic Disclosed Clients with Reports (Disclosed Clients).

In addition to the existing fee scheme in the Standard Pricing Model, these clients will be able to opt for an alternative scheme where the maintenance fees are calculated based on the initial margin (IM) requirement of the client.

Furthermore, Eurex Clearing will amend the High Turnover Model for Disclosed Clients.

Attachments:

1.-3. Updated sections of the Price List of Eurex Clearing AG

Date: 22 February 2019

Recipients:

All Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG and vendors and all FCM Clearing Members and other affected contractual parties

Authorized by:

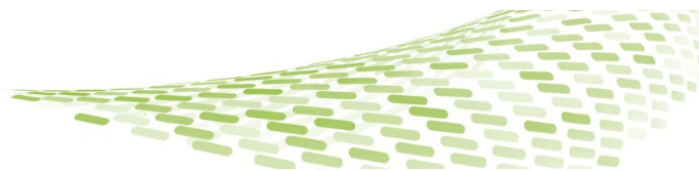
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Target group:

All departments

Contact:

Your Key Account Manager
Clearing,
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admission@eurexclearing.com](mailto:clearing.services-admission@eurexclearing.com)



Introduction of an alternative Standard Pricing Model for Disclosed Clients with System Access or Basic Disclosed Clients with Reports and amendments to High Turnover Model

Eurex Clearing will introduce optionality with regards to its Standard Pricing Model. While Option A is identical to the current Standard Pricing Model (including the existing rebate schemes for booking fees and maintenance fees (see Numbers 10.2.4 and 10.2.6 of the current Price List of Eurex Clearing AG), Option B offers the following variation:

- The booking fees are calculated in the same way as in Option A.
- Maintenance fees are not calculated based on notional outstanding as in Option A, but as 5 basis points of the initial margin (IM) requirement divided by 365 (respectively 366 in a leap year) on a daily basis.

Option B will come with a temporary fixed discount of 15 percent on all booking fees until 31 December 2019. For 2020, a volume-dependent rebate scheme for booking fees is planned.

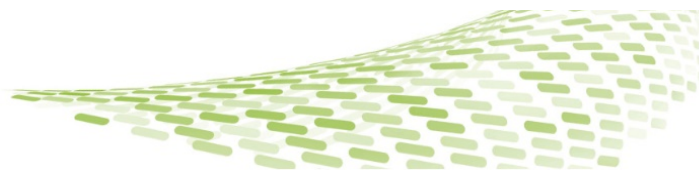
The details of the two available options within the Standard Pricing Model are summarised in the following table:

Fee type	Fee components	Standard Pricing Model – Option A		NEW: Standard Pricing Model – Option B	
		FRA, IRS, OIS	ZCIS	FRA, IRS, OIS	ZCIS
Booking fee	1) Fixed component per mn 2) Maturity premium per mn * maturity Cap per mn notional cleared	0.25 0.75 18	0.375 1.125 27	0.25 0.75 18	0.375 1.125 27
Maintenance fee	per mn notional outstanding per year	0.007 * 365	0.028 * 365	n/a	n/a
	Based on initial margin requirement per year	n/a	n/a	5 bps	5 bps
Rebate scheme	Booking fee	Volume depending as defined in Price List, section 10.2.4		2019: Fixed discount on booking fees of 15% 2020: Volume depending rebate scheme - planned	
	Maintenance fee	Volume depending as defined in Price List, section 10.2.6		n/a	

Amendment to High Turnover Model for Disclosed Clients with System Access or Basic Disclosed Clients with Reports

As part of the annual review of existing pricing models, Eurex Clearing will amend the High Turnover Model for Disclosed Clients with System Access or Basic Disclosed Clients with Reports as follows effective from 1 April 2019:

- Amendment of fixed booking fee per million Notional in Trade Currency from 0.1 to 0.2
- Amendment of booking fee floor per transaction in Trade Currency from 10 to 20
- Introduction of a monthly basis fee of 10,000 EUR effective 1 July 2019. Until 31 December 2019, a 50 percent fee waiver will be applied on the monthly basis fee. The monthly basis fee will only be applied if the total transaction fees (sum of booking and maintenance fees) is lower than the respective basis fee. The basis fee is subject to annual review and changes will be communicated via Eurex Clearing circular.



The details of the High Turnover Model effective from 1 April 2019 are summarised in the following table.

Fee type	High Turnover Model for IRS, OIS and FRA transactions
Booking fee	Fixed Booking fee: 0.2 per million Notional Cleared in Trade Currency Floor: 20 per transaction in Trade Currency Cap: 30 per transaction in Trade Currency
	Monthly basis fee (subject to annual review) effective 1 July 2019: 10,000 EUR 50% fee waiver until 31 December 2019
Maintenance fee	10 bps on Initial Margin (IM)

To subscribe to Option B of the Standard Pricing Model, proceed as follows:

1. Fill out the “EurexOTC Clear Interest Rate Derivative Static Data Form for Disclosed Client with System Access – Production” form available on the Eurex Clearing website www.eurexclearing.com under the following link and select the preferred Pricing Model in point 7 (Selection of Pricing Model) on page 4:

[Resources > Forms > EurexOTC Clear > Interest Rate Swaps > EurexOTC Clear Interest Rate Derivative Static Data Form for Registered Customer \(Production\)](#)

2. Submit the signed form to your Key Account Manager Clearing.

The amendments to the Price List of Eurex Clearing AG (Price List) are attached to this circular.

The amendments will come into effect on 11 March 2019, 1 April 2019 and 1 July 2019, respectively. On the respective days, the full version of the amended Price List will be available on the Eurex Clearing website under the following link:

[Resources > Rules and Regulations > Price list](#)

The amendments to the Price List published by this circular at least ten (10) Business Days prior to the effective date indicated herein are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first ten (10) Business Days of such period. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions.

If you have any questions or need further information, please contact your Key Account Manager Clearing or send an e-mail to: clearing.services-admission@eurexclearing.com.

22 February 2019

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

10 Transaction Fees for OTC Interest Rate Derivative Transactions

For the clearing of OTC Interest Rate Derivative Transactions pursuant to Chapter VIII Part 2 of the Clearing Conditions or of Interest Rate Derivative Transactions pursuant to Chapter II Part 2 of the FCM Regulations, Eurex Clearing will charge fees for the clearing and settlement of OTC Interest Rate Derivative Transactions or of Interest Rate Derivative Transactions – following novation of the Original OTC Transaction according to the Clearing Conditions or of the Original Swap Transaction according to the FCM Regulations – as described in the following. The term “**OTC Interest Rate Derivative Transactions**” will hereinafter be used as a generic term for Interest Rate Derivative Transactions according to Chapter VIII Part 2 of the Clearing Conditions and for Interest Rate Derivative Transactions according to Chapter II Part 2 of the FCM Regulations.

10.1 Clearing Fees

- (1) The fees and their calculation outlined in this Number 10.2 to 10.5 apply to OTC Interest Rate Derivative Transactions. In general, the fees are based on the underlying notional amount (the “**OTC Interest Rate Derivate Notional Amount**”) and the currency of the relevant transaction. The fees charged for ZCIS ~~in some respects~~ differ in some respects from fees charged for all other OTC Interest Rate Derivative Transactions (IRS, OIS and FRA). This Number 10.2 to 10.4 therefore differentiates between ZCIS on the one hand and IRS, OIS and FRA on the other hand. ~~In general, the fees are based on the underlying notional amount (the “**OTC Interest Rate Derivate Notional Amount**”) and the currency of the relevant transaction.~~

The fees outlined in this Number 10 are levied from the are charged to the account of the Clearing Member that which is Eurex Clearing AG’s counterparty with regard to the specific OTC Interest Rate Derivative Transaction. If Eurex Clearing AG’s counterparty is a Basic Clearing Member, the fees are levied from the Clearing Agent of the Basic Clearing Member. ~~settles the transaction on behalf of such respective Clearing Member on whose account the transaction is booked or in~~

~~relation to such DC With System Access or Basic DC wID to which the account relates on which the transaction is booked.~~

- (2) Eurex Clearing AG offers two pricing models pursuant to Number 10.2 and 10.3 for the clearing of OTC Interest Rate Derivative Transactions. The fee for post trade events pursuant to Number 10.5 shall remain unaffected.

~~—The standard pricing model pursuant to Number 10.2 (“**Standard Pricing Model**”) applies to the products IRS, OIS, FRA and ZCIS and is offered to Clearing Members (also with respect to their DC-Related Transactions relating to a DCs With System Access or Basic DCs wID). The Standard Pricing Model consists of two different submodels, the “**Standard Pricing Model A**” and the “**Standard Pricing Model B**”.~~

~~The high turnover pricing model pursuant to Number 10.3 (“**High Turnover Pricing Model**”) applies to IRS, OIS and FRA and can be chosen with Eurex Clearing can grant a Clearing Member with respect to their DC-Related Transactions relating to its a DC With System Access or Basic DC wID upon the Clearing Member’s request access to the high turnover pricing model pursuant to Number 10.3 (“**High Turnover Pricing Model**”). The High Turnover Pricing Model is only available for the products IRS, OIS and FRA. If no request is made, the Standard Pricing Model is applied. For the product ZCIS, a change between Standard Pricing Model and High Turnover Pricing Model is not possible for Clearing Members with respect to their DCs With System Access or Basic DCs wID.~~

~~Apart from the two pricing models, Eurex Clearing offers a rebate scheme pursuant to Number 10.4 which is applicable to all pricing models and certain rebate schemes which apply only to specific pricing models. s pursuant to Number 10.2.4, 10.2.6 and 10.4. Participation in the rebate scheme pursuant to Number 10.4 will exclusively be granted to Clearing Members upon request according to Number 10.4 (Basic Clearing Members are excluded).~~

The following tables give an overview of the clearing fee models and rebates which apply to OTC Interest Rate Derivative Transactions in consideration of the account structure of the Clearing Members (also with respect to DC-Related Transactions relating to a their DCs With System Access or Basic DCs wID).

Model	IRS, OIS, FRA							ZCIS						
	Clearing Members			Basic Clearing Members	DCs With System Access/Basic DCs wID			Clearing Members			Basic Clearing Members	DC-Related Transactions relating to a DCs With System Access/Basic DCs wID		
	PP Ac-count	Flex Ac-count	Agent Ac-count		PP Ac-count	Flex Ac-count	Agent Ac-count	PP Ac-count	Flex Ac-count	Agent Ac-count		PP Ac-count	Flex Ac-count	Agent Ac-count
Standard Pricing Model <u>A</u>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Volume Rebates pursuant to Number 10.2.1.4 and 10.2.1.6)	No	No	No	No	Yes	Yes	No	No	No	No	No	Yes	Yes	No
<u>Standard Pricing Model B</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>
High Turnover Pricing Model	No	No	No	No	Yes	Yes	No	No	No	No	No	No	No	No
Rebate scheme pursuant to (Number 10.4 (applicable to all pricing models))	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No	No

- (3) The Clearing Member may choose by written notice to Eurex Clearing AG the applicable pricing model (or submodel) with respect to its own transactions or, if applicable, with respect to DC-Related Transactions relating to a specific DC With System Access or Basic DC wID. If no election is made, the Standard Pricing Model -A is applied.

~~—The receipt by Eurex Clearing of the request to change between the Standard Pricing Model and any of the other models~~ the pricing model (or submodel) will trigger a one month processing period of at least one calendar month. The respective other new pricing model (or submodel) shall be applied as of the first Business Day of the calendar month following the expiry of such processing period, unless Eurex Clearing has previously explicitly stated explicitly to accept the request to become effective as of an earlier date.

10.2 **Standard Pricing Model**

The Standard Pricing Model consists of the Submodels Standard Pricing Model A and Standard Pricing Model B.

10.2.1 **Standard Pricing Model A**

OTC Interest Rate Derivative Booking Fee		
	IRS, OIS, FRA	ZCIS
Fixed Booking Fee per million in trade currency	0.25	0.375
Maturity Premium per million per year in trade currency	0.75	1.125
Fee cap (Fixed Booking Fee + Maturity Premium) per million in trade currency	18.00	27.00
Maintenance Fee		
	IRS, OIS, FRA	ZCIS
Maintenance fee per million notional per day in trade currency	0.007	0.028

The Standard Pricing Model A is regulated by this Number 10.2.1.

40.1.4.110.2.1.1 Booking Fee per OTC Interest Rate Derivative Transaction

- (1) For the novation of each OTC Interest Rate Derivative Transaction a fixed booking fee per OTC Interest Rate Derivative Transaction ("**Fixed Booking Fee**") of

- EUR 0.25 for IRS, OIS and FRA; and
- EUR 0.375 for ZCIS

per million OTC Interest Rate Derivative Notional Amount in the respective Trade Currency shall be paid by the relevant Clearing Member. In case the relevant Trade Currency is not Euro, the same amount (0.25 or 0.375, respectively) shall be applied in the relevant Trade Currency without currency conversion.

[...]

- (2) In addition to the Fixed Booking Fee pursuant to Paragraph (1), the relevant Clearing Member shall pay a maturity premium to Eurex Clearing in each Calculation Period of

- EUR 0.75 for IRS, OIS and FRA; and
- EUR 1.125 for ZCIS

per million OTC Interest Rate Derivative Notional Amount in the relevant Trade Currency multiplied by the Day Count Fraction ("**Maturity Premium**", together with the Fixed Booking Fee the "**OTC Interest Rate Derivative Booking Fee**"). In case the relevant Trade Currency is not Euro, the same amount (0.75 or 1.125, respectively) shall be applied in the relevant Trade Currency without currency conversion.

[...]

“**Calculation Period**” for the purposes of this Number 10.2.1.1 means, with respect to the Maturity Premium, the following period (whereby the relevant date is included in the calculation of the deadline):

[...]

- (3) If the OTC Interest Rate Derivative Booking Fee exceeds the threshold values defined in this paragraph (“**Fee Cap**”), the relevant Clearing Member shall only pay the amount equal to the fee cap to Eurex Clearing of

- EUR 18.00 for IRS, OIS and FRA; and
- EUR 27.00 for ZCIS

per million OTC Interest Rate Derivative Notional Amount in the respective Trade Currency. In case the relevant Trade Currency is not Euro, the same amount (18.00 or 27.00, respectively) shall be applied in the relevant Trade Currency without currency conversion.

- (4) The OTC Interest Rate Derivative Booking Fee shall exclusively be paid by the Clearing Member with the invoice issued for the relevant calendar month. By payment of the OTC Interest Rate Derivative Booking Fee, all services to be provided by Eurex Clearing in relation to an OTC Interest Rate Derivative Transaction pursuant to Chapter VIII Part 1 Number 1.2.7 Paragraph (4), Number 2.6 (with the exception of Trade Netting Fees in accordance with Number 10.54.1), Number 2.7 (except for the transfer of an OTC Interest Rate Derivative Transaction to another Clearing Member (Trade Transfer) pursuant to Number 2.7.1) and Number 2.8 of the Clearing Conditions, or pursuant to Chapter II Part 1 Number 1.2.5 Paragraph (4), Number 2.6 (with the exception of Trade Netting Fees in accordance with Number 10.54.1), Number 2.7 (with the exception of a transfer of an OTC Interest Rate Derivative Transaction to another Clearing Member (trade transfer) pursuant to Number 2.7.1) and Number 2.8 of the FCM Regulations, shall be covered.

~~10.1.1.2~~ **10.2.1.2 Booking Fee per OTC Interest Rate Derivative Transaction for Trade Transfer**

[...]

[...]

~~10.1.1.5~~ **10.2.1.5 Rebate scheme on the OTC Interest Rate Derivative Booking Fee with respect to DCs With System Access and Basic DCs wID**

- (1) A Clearing Member shall with respect to its DC With System Access and Basic DC wID receive a rebate on the OTC Interest Rate Derivative Booking Fee calculated based on the Standard Pricing Model A. The rebate depends on the cumulated cleared notional of all the OTC Interest Rate Derivative Transactions relating to a DC With System Access or Basic DC wID in the products FRA, OIS, IRS and ZCIS and

on the requirements of Paragraph (2) to (4). Number 10.1 Paragraph (1) Clause 4 shall apply accordingly to the granting of rebates.

[...]

- (3) The cumulated cleared notional and the rebates are calculated separately for the PP account and all flexible accounts. In doing so, all transactions for the products FRA, IRS, OIS and ZCIS are taken into account. The transactions pursuant to ~~10.2.1.224.2~~ and ~~10.2.1.324.3~~ are not included in the calculation of the cleared cumulated notional and rebates.

[...]

~~40.1.4.6~~ **10.2.1.6 Maintenance Fee**

- (1) Eurex Clearing levies a maintenance fee for OTC Interest Rate Derivative Transactions. The maintenance fee shall be

- EUR 0.007 for IRS, OIS and FRA transactions; and
- EUR 0.028 for ZCIS

per million OTC Interest Rate Derivative Notional Amount and day in the relevant Trade Currency. In case the relevant Trade Currency is not Euro, the same amount (0.007 or 0.028, respectively) shall be applied in the relevant Trade Currency without currency conversion.

[...]

[...]

~~40.1.4.7~~ **10.2.1.7 Rebate scheme on the Maintenance Fee with respect to DCs With System Access and Basic DCs wID**

- (1) A Clearing Member shall, with respect to a DC With System Access or Basic DC wID, receive a rebate on the maintenance fee calculated based on the Standard Pricing Model A. The rebate depends on the outstanding notional which, with regard to OTC Interest Rate Derivative Transactions, emerges on the respective PP Account or on all Flex Accounts at the end of each month.

[...]

10.2.2 Standard Pricing Model B

Eurex Clearing shall only grant a Clearing Member access to the Standard Pricing Model B outlined in this Number 10.2.2 with regard to DC-Related Transactions relating to a DC With System Access or Basic DC wID pursuant to Chapter I Part 1 Number 1.1.1 in connection with Appendix 1, 3 and/or 4 of the Clearing Conditions upon corresponding request of such DC With System Access or Basic DC wID through its Clearing Member.

10.2.2.1 Booking Fee per OTC Interest Rate Derivative Transaction

Number 10.2.1.1 shall apply *mutatis mutandis* to the Standard Pricing Model B.

10.2.2.2 Booking Fee per OTC Interest Rate Derivative Transaction for Trade Transfer

Number 10.2.1.2 shall apply *mutatis mutandis* to the Standard Pricing Model B.

10.2.2.3 Booking Fee per OTC Interest Rate Derivative Transaction for Backloading

Number 10.2.1.3 shall apply *mutatis mutandis* to the Standard Pricing Model B.

10.2.2.4 Maintenance Fee

Eurex Clearing levies a maintenance fee for OTC Interest Rate Derivative Transactions. The maintenance fee, payable by the relevant Clearing Member, for DC-Related Transactions of such Clearing Member relating to a specific DC With System Access or Basic DC wID will be calculated daily, based on the relevant Initial Margin Requirement, and charged on a monthly basis in Margin Requirement Currency. The Initial Margin Requirement shall be multiplied by 0.05 per cent and the corresponding result shall then be divided by 365 (respectively 366 in a leap year) on a daily basis.

The maintenance fee is charged for the ongoing risk calculation of the OTC Interest Rate Derivative Transaction several times a day until the end of the respective maturity and the determination of the variation margin requirement due to changed risk parameters.

40.210.3 High Turnover Pricing Model for IRS, OIS and FRA with respect to DCs With System Access and Basic DCs wID

[...]

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

10 Transaction Fees for OTC Interest Rate Derivative Transactions

[...]

10.3 High Turnover Pricing Model for ~~IRS, OIS and FRA with respect to DCs With System Access and Basic DCs wID~~

Eurex Clearing_ shall only grant a Clearing Member access to the High Turnover Pricing Model outlined in this Number 10.3 with regard to ~~DC With System Access/Basic DC-Related Transactions with relating to a~~ specific DC With System Access or Basic DC wID pursuant to Chapter I Part 1 Number 1.1.1 in connection with Appendix 1, 3 and/or 4 of the Clearing Conditions upon corresponding request of such DC With System Access or Basic DC wID through its Clearing Member.

The High Turnover Pricing Model is only eligible for the products IRS, OIS and FRA; and it is not eligible for the product ZCIS.

10.3.1 Booking Fee

- (1) The Fixed Booking Fee for DC-Related Transactions of a Clearing Member in relation to a specific DC With System Access or Basic DC wID, payable by the relevant Clearing Member, shall be equal to the amount specified in the table below per million IRS, OIS and FRA Notional Amount in the relevant Trade Currency. If such OTC Interest Rate Derivative Booking Fee exceeds the Maximum Booking Fee (as specified below), the relevant Clearing Member shall only pay the amount equal to such Maximum Booking Fee to Eurex Clearing. If the Fixed Booking Fee falls below the Minimum Booking Fee (as specified below), the relevant Clearing Member shall pay the amount equal to such Minimum Booking Fee to Eurex Clearing.

Fixed Booking Fee per million IRS, OIS and FRA Notional Amount in Trade Currency	Minimum Booking Fee (floor) per IRS, OIS and FRA Transaction	Maximum Booking Fee (cap) per IRS, OIS and FRA Transaction
EUR <u>0.20</u> 0.40	EUR <u>20.00</u> 40.00	EUR 30.00

Fixed Booking Fee per million IRS, OIS and FRA Notional Amount in Trade Currency	Minimum Booking Fee (floor) per IRS, OIS and FRA Transaction	Maximum Booking Fee (cap) per IRS, OIS and FRA Transaction
(If the relevant Trade Currency is not Euro, the same amount (0.2040) shall be applied in the relevant Trade Currency without currency conversion.)	(If the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank.)	(If the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank.)

[...]

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

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[...]

10 Transaction Fees for OTC Interest Rate Derivative Transactions

[...]

10.3 High Turnover Pricing Model

[...]

10.3.6 Monthly Basis Fee

Eurex Clearing levies a fixed basis fee of EUR 10,000 per month, payable by the relevant Clearing Member for its access to the High Turnover Pricing Model for DC-Related Transactions of the Clearing Member in relation to a specific DC With System Access or Basic DC wID. In contrast to the Standard Pricing Models (A) and (B), the High Turnover Model consists of an initial margin (IM) based maintenance fee and a transaction based booking fee pricing concept, that allows high turnover clients clearing under beneficial conditions. Any fees pursuant to Number 10.3.1 – 10.3.4 payable by the respective Clearing Member for DC-Related Transactions of such Clearing Member in relation to the specific DC With System Access or Basic DC wID shall be offset against this monthly basis fee up to the amount of the monthly basis fee, whereas the fixed basis fee of EUR 10,000 per month would not reduced as consequence.

[...]
