

Eurex Clearing AG
ECAG Rule Certification 029/18
March 8, 2018

1. The text of the proposed amendments to the Clearing Conditions of Eurex Clearing (“Clearing Conditions”) and Price List of Eurex Clearing (“Price List”) is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is April 3, 2018.
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 proposing the following amendments:

1. Eurex Clearing is proposing to amend Chapter I (General Provisions) of the Clearing Conditions to provide that, where Eurex Clearing pays interest on cash margin delivered by a clearing member (or a Basic Clearing Member/ISA Direct client), the calculation of customer interest rates will be based on publicly available benchmark reference rates. A table with the relevant rates is provided in Eurex Clearing Circular 029/18, which is appended as Attachment A.
2. Eurex Clearing is proposing two changes to cash handling and securities collateral fees in Chapter I of the Clearing Conditions and the Price List. First, Eurex Clearing is proposing to end the temporary reduction that was introduced in May 2015 of 50 percent of the cash handling fee on margin collateral and default fund contributions for the currencies euro, Swiss franc, and US dollar in a negative interest rate environment. This proposed change is due to changes in the market environment and in line with industry practice. Second, Eurex is proposing to charge an additional 10 basis points as a concentration add-on to securities collateral where the clearing member has a cash collateral proportion of less than 20 percent of the total margin and default fund requirement. A table with the relevant fees is provided in Attachment A.
3. Eurex Clearing is proposing to amend Chapter I of the Clearing Conditions and the Price List to introduce an incentive scheme for ISA Direct clients (Basic Clearing Members), Registered

Customers, and Specified Clients in the gross omnibus (“GOSA”) and individual segregated account (“ISA”) models. Attachment A further describes the three fee incentives that will apply. Lastly, Eurex Clearing is announcing that it will consult with market participants and the Risk Committee regarding changing the calculation of default fund contributions to take into account the applicable segregation model. This change would relate only to allocation of default fund contributions across clearing members, whereas other elements such a sizing of default fund contributions based on stress scenarios and cover-2 calculations, and minimum absolute contribution amounts would remain unchanged.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in the attached Eurex Clearing Circular 029/18, which is appended as Attachment A.

Eurex Clearing has identified the following derivatives clearing organization (“DCO”) Core Principles as potentially being relevant to the above amendments:

1. DCO Core Principle C (Participant and Product Eligibility): The proposed amendments will comply with DCO Core Principle C because the amendments change certain fees and fee incentives, and all fees charged by Eurex Clearing will continue to be subject to appropriate standards in compliance with this Core Principle.
2. DCO Core Principle D (Risk Management): The proposed amendments will comply with DCO Core Principle C because the amendments change the relevant interest rate paid to clearing members (and Basic Clearing Members) for cash margin collateral, Eurex Clearing will continue to have appropriate risk management processes in compliance with this Core Principle.

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>.



By: Eric Seinsheimer

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Dated: March 8, 2018