

Eurex Clearing AG
ECAG Rule Certification 037-19
April 9, 2019

1. The text of the proposed amendments to the Clearing Conditions (“Clearing Conditions”) of Eurex Clearing AG (“Eurex Clearing”) is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is May 2, 2019.
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 to amend Chapter VIII of the Clearing Conditions to extend the scope of the Settled-to-Market (“STM”) model to client-related OTC Interest Rate Derivative Transactions. Eurex Clearing introduced the STM model in 2017 as an alternative contract model for proprietary OTC Interest Rate Derivative Transactions of clearing members. The proposed amendments now extend this scope to client accounts of the clearing member. All accounts of Disclosed Clients (Basic Disclosed Clients and Disclosed Clients with System Access) as well as accounts of undisclosed clients will be eligible for a conversion to STM.

For avoidance of doubt, as provided in Chapter VIII, Part 2, No. 2.1.4 (1), Non-FCM US Clearing Members that clear OTC Interest Rate Derivative Transactions under the Clearing Conditions can only clear under the STM model.

In addition, these proposed amendments do not affect the FCM Regulations of Eurex Clearing. As provided in Chapter II, Part 2, No. 2.1.4 (1), all Interest Rate Derivative Transactions for FCM Clearing Members are settled to market.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in Eurex Clearing Circular 037-19, which is appended as Attachment A.

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

1. DCO Core Principle E (Settlement Procedures): The proposed amendments will comply with DCO Core Principle E because the amendments amend the Clearing Conditions to extend the STM model to client-related OTC Interest Rate Derivative Transactions, and Eurex Clearing will continue to treat OTC Interest Rate Derivative Transactions by US Clearing Members as required to be settled to market in compliance with this Core Principle and CFTC Regulation 39.14.

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

Title: US Compliance Officer, Eurex Clearing AG

Dated: April 9, 2019