

**Eurex Clearing AG**  
**ECAG Rule Certification 035-20**  
**April 29, 2020**

1. The text of the proposed amendments to the Clearing Conditions (“**Clearing Conditions**”) of Eurex Clearing AG (“**Eurex Clearing**”), Default Management Auction Rules, and Default Management Committee Rules is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The dates of intended implementation are June 2, 2020 and June 25, 2020.
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.

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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. In Eurex Clearing Circular 113/19, which was filed as Rule Certification 113/19 pursuant to CFTC Rule 40.6, Eurex Clearing proposed transitional provisions under Chapter I Part 1 Number 18 of the Clearing Conditions with respect to Clearing Members who did not change (i) from the Value Based Allocation to Asset Based Allocation or (ii) from the Individual Clearing Model (“**ICM**”) Provisions to other clearing models with respect to all of their ICM Clients prior to January 2, 2020. As all Clearing Members have finished their migration from Value Based Allocation to Asset Based Allocation and all ICM Clients have finished their migration to another clearing model, Eurex Clearing is proposing to remove these provisions from the Clearing Conditions.
2. In the event of a default of a Clearing Member, for omnibus segregated clients, Eurex Clearing allocates the Eligible Margin Assets to the relevant Client Transaction Accounts of an Omnibus Standard Agreement for each Internal Omnibus Margin Account by application of the Allocation Algorithm. Any Eligible Margin Assets that are part of the Internal Omnibus Margin Account, but have not been allocated to an Omnibus Standard Agreement, constitute “Excess Collateral.” Excess Collateral in the form of cash constitutes an Unallocated Redelivery Claim.

Eurex Clearing is entitled to set off any Difference Claim it may have against the Clearing Member under an Omnibus Standard Agreement against any Unallocated Redelivery Claim owed by Eurex Clearing relating to Eligible Margin Assets allocated to the relevant Internal Omnibus Margin Account. For Eligible Margin Assets in the form of securities which constitute Excess Collateral, Eurex Clearing is proposing amendments to the Clearing Conditions to ensure that Eurex Clearing is entitled to enforce and realize pledges over such Excess Collateral in satisfaction of the Difference Claim of an Omnibus Standard Agreement relating to the relevant Internal Omnibus Margin Account.

3. Eurex Clearing reflects current market conditions in the calculation of the relevant margin requirement. In order to be able to consider input from market participants, Eurex Clearing is proposing amendments to the Clearing Conditions to introduce a liquidity survey with mandatory Clearing Member participation. During the survey, Clearing Members will be requested to provide bid-offer-spreads with respect to some or all Transaction Types (depending on the Clearing Licenses held by the Clearing Member) within three weeks after its receipt of the request from Eurex Clearing.
4. In line with the continuous development and improvement of the Default Management Process over time, Eurex Clearing has introduced a variety of bidder roles for default management auctions. The proposed amendments to the Default Management Auction Rules seek to enable for Clearing Agents, clients, and the Selected Auction Participant the selection of auction participation setup on a Liquidation Group level and disclosure of affiliated relationship. Further, Eurex Clearing will align the auction participant selection criteria across all Liquidation Groups and clarify that any specific auction terms can be amended by Eurex Clearing until the auction time expires.
5. In case of extraordinary circumstances when physical attendance in the Default Management Committee meeting is not enforceable, Eurex Clearing foresees convening DMC meetings using remote access. The proposed amendments to the Default Management Committee Rules seek to provide clarifications with respect to this flexibility.
6. Eurex Clearing is proposing to shift the Default Management process provisions for the clearing of Basket Total Return Futures Contracts from Chapter II to Chapter I of the Clearing Conditions and to formulate the provision in a more generic way to open the scope of application of these provisions for future introduction of basket trades. This reformulation is provided in Eurex Clearing Circular 035/20, which is appended as Attachment A.

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

Amendments Nos. 1-3 above will become effective on June 2, 2020. Amendments Nos. 4-6 above are subject to a Consultation, which will end on May 27, 2020. The planned effective date for Amendments Nos. 4-6 above will be June 25, 2020, depending on the outcome of the Consultation, which will be communicated in a separate circular.

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 clarify clearing model provisions, and Eurex Clearing's participant and product eligibility criteria will continue to be appropriate, objective, publicly disclosed, and permit fair and open access.
2. DCO Core Principle D (Risk Management): The proposed amendments will comply with DCO Core Principle D because the amendments clarify Eurex Clearing's right to enforce and realize pledges over excess collateral and implement a Clearing Member survey to incorporate market feedback in setting margin requirements, and Eurex Clearing will continue to comply with this Core Principle.
3. DCO Core Principle G (Default Rules and Procedures): The proposed amendments will comply with DCO Core Principle G because the amendments clarify terms with respect to the selection of auction participation in default scenarios, provide flexibility for convening Default Management Committee meetings via remote access, and reformulate certain default provisions for one listed product group, and Eurex Clearing will continue to comply 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>.

/s/ Eric Seinsheimer \_\_\_\_\_

By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: April 29, 2020