

Eurex Clearing AG
ECAG Rule Certification 049-19
May 20, 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 July 11, 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 amendments to Chapters I (General Provisions), VIII (Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions), and Appendix 13 (FX Swap Line Agreement) of the Clearing Conditions related to the liquidity management framework for the OTC currency clearing service. For avoidance of doubt, the proposed amendments are not applicable to U.S. participants, and clearing of OTC currency is currently outside the scope of Eurex Clearing’s DCO license.

As part of the initial launch of OTC currency products, Eurex Clearing introduced a liquidity management framework to manage settlement failure risk. After the launch, clearing members provided feedback that the liquidity management framework obligations should be amended to appropriately accommodate service adaption and foster volume growth. Accordingly, the proposed amendments revise the liquidity management framework to provide for the following:

- Amount of a FX Swap Line granted is in discretion of each clearing member;
- Once set, the FX Swap Line represents the global settlement limit (pay-in and pay-out limit) an individual clearing member is subject to;
- Auto-execution on 360T if Eurex Clearing needs to draw on FX Swap Lines agreed with clearing members; netting of FX Swap Lines with pay-outs due removes the need for actual FX Swap Line funding for clearing members.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in the attached Eurex Clearing Circular 049/19, 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 C (Participant and Product Eligibility): The proposed amendments will comply with DCO Core Principle C because the amendments amend the liquidity framework for OTC currency clearing, which falls outside Eurex Clearing’s DCO license, and all products cleared via Eurex Clearing’s DCO license will continue to be cleared 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

Title: US Compliance Officer, Eurex Clearing AG

Dated: May 20, 2019