

Eurex Clearing AG
ECAG Rule Certification 047-20
June 10, 2020

1. The text of the proposed amendments to the Amendments to the Default Fund Contribution Factor of Eurex Clearing AG (“**Eurex Clearing**”) and Clearing Conditions (“**Clearing Conditions**”) of Eurex Clearing is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The proposed amendments in this rule certification fall within the scope of Special Provisions of the Clearing Conditions and are therefore subject to a consultation process (“**Consultation**”). The Consultation will end on July 9, 2020. The planned effective date is August 3, 2020, depending on the outcome of the Consultation, which will be communicated in a separate Eurex Clearing circular.
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. In accordance with Article 42 of Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories (“**EMIR**”), Eurex Clearing maintains a pre-funded Default Fund to cover losses that exceed the losses to be covered by margin requirements. Contributions to the Default Fund are calculated as the maximum of a static minimum contribution and a dynamic component. The dynamic component is calculated as 9 percent of the maximum of 30-day and 250-day Initial Margin requirement. The contribution factor is calibrated such that pre-funded resources are sufficient to cover losses stemming from a simultaneous default of the two largest Clearing Members in extreme but plausible market conditions.

The contribution factor will be decreased from 9 percent to 7 percent following a recalibration to align pre-funded resources with recently observed stress exposure during the Covid 19 pandemic

and development in margin levels. Additionally, to reflect this amendment, the website of Eurex Clearing will be amended as outlined in Eurex Clearing Circular 047-20, which is appended as Attachment A.

2. Eurex Clearing is proposing to remove the clause from the Clearing Conditions stipulating that the calculation methodology for the Default Fund Contribution published on Eurex Clearing's website forms part of the Clearing Conditions. The website will continue to publish the calculation methodology and will be used for other communication and marketing purposes. The calculation methodology (including the contribution factor) will no longer qualify as Special Provisions of the Clearing Conditions, so that Eurex Clearing will be able to make changes to the calculation methodology without being required to initiate a Consultation Period.

This will support Eurex Clearing in quickly reacting to extraordinary market developments, as in case of scenarios like the Covid 19 pandemic, which lead to a large increase of the Margin Requirements and the Default Fund Contributions. The other governance arrangements with respect to changes to the calculation methodology remain unchanged (such as the required involvement of the EMIR Risk Committee and Eurex Clearing's supervisory board).

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in the 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 G (Default Rules and Procedures): The proposed amendments will comply with DCO Core Principle G because the amendments change a component that goes into Contributions to the Default Fund in response to recently observed stress exposure during the Covid 19 pandemic and development in margin levels, and Eurex Clearing's default rules and procedures will continue to allow for the efficient, fair, and safe management of events in a default 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>.

/s/ Eric Seinsheimer

By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: June 10, 2020