

**Eurex Clearing AG**  
**ECAG Rule Certification 074-19**  
**July 29, 2019**

1. The text of the proposed amendments to the FCM Regulations (“FCM Regulations”) 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 August 19, 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.

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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. Eurex Clearing is proposing amendments to Chapter I (Clearing Model Related Provisions) of the FCM Regulations to extend its LSOC service offering to a pure LSOC Without Excess model. Currently, Eurex Clearing’s LSOC framework, which was launched in December 2018, is an LSOC With Excess model, which allows an FCM Clearing Member to provide excess margin. Under LSOC Without Excess model, the value of FCM Clearing Member collateral is equal to a customer’s (Initial) Margin Requirement (“MR”) in accordance with CFTC Rule 22.15, and it is determined by Eurex Clearing by locking the Legally Segregated Value (“LSV”) in Eurex Clearing’s systems at the start of each business day with a value that is equal to the FCM Clearing Member’s margin requirement. Thus, FCM Clearing Members using the LSOC Without Excess model are not required to send a Collateral Value Report (“CVR”) and are not allowed to post any excess margin for a specific FCM Clearing Member on a day-to-day basis.
2. Eurex Clearing is announcing the extension of swaps product currencies offered under LSOC. Eurex Clearing’s initial launch of LSOC covered only EUR, GBP, and USD. Eurex Clearing is now proposing to extend the LSOC offering to CHF, DKK, JPY, NOK, and SEK denominated swaps products.

3. Eurex Clearing is announcing that the following fee waivers applying to FCM Clearing Members, excluding fees relating to an audit of an FCM Clearing Member, will be maintained until further notice:
  - Fees for granting of a clearing license and admission as an FCM Clearing Member
  - Annual fees for the license as an FCM Clearing Member
  - Fees relating to an audit of an FCM Clearing Member

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in the attached Eurex Clearing Circular 074/19, 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 provide a new LSOC Without Excess framework, extend swaps product currencies and continue fee waivers related to Eurex Clearing’s LSOC offering, and Eurex Clearing will continue to comply with this Core Principle.
2. DCO Core Principle D (Risk Management): The proposed amendments will comply with DCO Core Principle D because the amendments propose an LSOC Without Excess Clearing Model, 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>.



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Dated: July 29, 2019