



Release date: 10 Aug 2020 | Eurex Clearing

No. 069/2020

Amendments to the Price List regarding the integration of OTC IRD ZCIS in the High Turnover Pricing Model; the OTC IRD Maintenance Fee calculation and the fees for transfers of bunched order transactions

Eurex Clearing Circular 069/20

1. Introduction

This circular contains information with respect to Eurex Clearing AG's service offering and corresponding amendments to the Price List of Eurex Clearing AG ("Price List") regarding the following topics:

- A. Integration of the product Zero-Coupon Inflation Swap (ZCIS) in the OTC Interest Rate Derivatives (IRD) High Turnover Pricing Model,
- B. Clarifications concerning the OTC IRD Maintenance Fee calculation,
- C. Introduction of a transfer fee for bunched order transactions,
- D. Further editorial amendments.

The amendments regarding A. will become effective on **1 October 2020**. All other amendments will become effective on **1 September 2020**.

2. Required action

There is no action required for Clearing Members. Disclosed Clients interested in clearing ZCIS under the consideration of the High Turnover Pricing Model may apply as follows:

- i. Complete the "[EurexOTC Clear Interest Rate Derivative Static Data Form for Disclosed Client with System Access/Basic Disclosed Client with Reports – Production](#)" form, available via the following path on the Eurex Clearing website www.eurexclearing.com, and select the product Zero Coupon Inflation Swap (ZCIS) as well as the Pricing Model High Turnover Pricing:

[Find](#) > [Forms](#) > [EurexOTC Clear](#) > [Interest Rate Swaps](#)

- ii. Submit the signed form to your Key Account Manager Clearing.

3. Details

A. Integration of ZCIS in the OTC IRD High Turnover Pricing Model

Effective 1 October 2020, Eurex Clearing will complement its OTC IRD offering by adding the product ZCIS to the OTC IRD High Turnover Pricing Model. The ZCIS pricing, as part of the High Turnover Pricing Model, will be available to all Disclosed Clients and consist of the following constituents:

- a) **Booking Fee:**

[COOKIE SETTINGS](#)

- Fixed Booking Fee per million ZCIS notional cleared in trade currency: 0.3
- Minimum Booking Fee (floor) per ZCIS transaction: EUR 30
- Maximum Booking Fee (cap) per ZCIS transaction: EUR 40

b) **Maintenance Fee:**

- 10bps (based on initial margin p.a.) in margin requirement currency

c) **Monthly Basis Fee:**

- Integration of ZCIS in fixed basis fee of EUR 10,000 per month across all OTC IRD products

To reflect the amendments, the following provisions will be revised as outlined in Attachment 1 with effect as of **1 October 2020**:

- Number 10.3 and Number 10.3.1 of the Price List

B. Clarifications concerning the OTC IRD Maintenance Fee calculation

The OTC IRD Maintenance Fee and associated rebates will no longer be calculated daily, but only at the end of the last day of a calendar month. Regarding the calculation and determination of volume-based rebates on the OTC IRD Maintenance Fee: Effective 1 September 2020, only the notional outstanding at the end of the last day of a calendar month is taken into consideration for the determination of applicable rebates.

To reflect the amendments, the following provisions will be revised as outlined in Attachment 2 with effect as of **1 September 2020**:

- Number 10.2.1.7 and Number 10.4 of the Price List

C. Introduction of a transfer fee for bunched order transactions

Effective 1 September 2020, Eurex Clearing will introduce a transfer fee for OTC IRD bunched order transactions which are allocated from a Bunch Order Suspense Account to another transaction account via trade transfer / account transfer. The new transfer fee will amount to 100 percent of the applicable Booking Fee and be charged to the transferee Clearing Member. The Booking Fee for the initial novation of bunched order transactions in designated Bunch Order Suspense Accounts remains free of charge.

To reflect the amendments, the following provisions will be revised as outlined in Attachment 2 with effect as of **1 September 2020**:

- Number 10.2.1.4 and Number 10.3.4 of the Price List

D. Further editorial amendments

Further clarifying and editorial amendments to the Price List will be introduced with effect from **1 September 2020**.

In this context, the following provisions will be revised as outlined in Attachment 2:

- Number 10.2.1.1, Number 10.2.1.2, Number 10.2.2.2 and Number 10.3.2 of the Price List

As of the respective effective date, the full version of the Price List will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

[Find > Rules & Reg's > Rules and Regulations > Price List](#)

The changes and amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first fifteen (15) Business Days after publication. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions of Eurex Clearing AG, as applicable.

Attachments:

- 1 – Amended sections of the Price List of Eurex Clearing AG, effective 1 October 2020
- 2 – Amended sections of the Price List of Eurex Clearing AG, effective 1 September 2020

Further information

COOKIE SETTINGS

Recipients: All Clearing Members, Basic Clearing Members, Disclosed Direct Clients, all FCM Clearing Members of Eurex Clearing AG, vendors and other affected contractual parties

Target groups: Front Office/Trading, Middle + Back Office

Contact: client.services@eurexclearing.com

Related circulars: Eurex Clearing circulars [013/19](#), [019/19](#)

Web: www.eurexclearing.com

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Further information

[Attachment 1 to Eurex Clearing circular 069/20](#)

[Attachment 2 to Eurex Clearing circular 069/20](#)

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

10 Transaction Fees for OTC Interest Rate Derivative Transactions

[...]

10.1 Clearing Fees

[...]

- (2) Eurex Clearing AG offers two pricing models pursuant to Number 10.2 and 10.3 for the clearing of OTC Interest Rate Derivative Transactions. The fee for post trade events pursuant to Number 10.5 shall remain unaffected.

[...]

The high turnover pricing model pursuant to Number 10.3 ("**High Turnover Pricing Model**") applies to IRS, OIS, ~~and FRA~~ and ZCIS and can be chosen with respect to their DC-Related Transactions relating to a specific DC.

[...]

[...]

10.3 High Turnover Pricing Model

Eurex Clearing shall only grant a Clearing Member access to the High Turnover Pricing Model outlined in this Number 10.3 with regard to DC-Related Transactions relating to a specific DC upon corresponding request of such DC through its Clearing Member.

The High Turnover Pricing Model is ~~only~~ eligible for the products IRS, OIS, ~~and FRA~~; and ~~it is not eligible for the product ZCIS.~~

10.3.1 Booking Fee

- (1) ~~The Clearing Member shall pay for the novation of each OTC Interest Rate Derivative Transaction in accordance with Chapter VIII Part 1 Number 1.2.1 of the Clearing Conditions or Chapter II Part 1 Number 1.2.1 of the FCM Regulations a booking fee as specified in the table below in the column "Fixed Booking Fee", but no less than the amount specified in the column "Minimum Booking Fee" and no more than the amount specified in the column "Maximum Booking Fee". The Fixed Booking Fee for DC-Related Transactions of a Clearing Member in relation to a specific DC, payable by the relevant Clearing Member, shall be equal to the amount specified in the table below per million IRS, OIS and FRA Notional Amount in the relevant Trade Currency. If such OTC Interest Rate Derivative Booking Fee exceeds the Maximum Booking Fee (as specified below), the relevant Clearing Member shall only pay the amount equal to such Maximum Booking Fee to Eurex Clearing. If the Fixed Booking Fee falls below the Minimum Booking Fee (as specified below), the relevant Clearing Member shall pay the amount equal to such Minimum Booking Fee to Eurex Clearing.~~

Fixed Booking Fee per million IRS, OIS and FRA Notional Amount [in Trade Currency]	Minimum Booking Fee (floor) per IRS, OIS and FRA Transaction	Maximum Booking Fee (cap) per IRS, OIS and FRA Transaction
EUR 0.20 (If the relevant Trade Currency is not Euro, the same amount (0.20) shall be applied in the relevant Trade Currency without currency conversion)	EUR 20.00 (If the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank.)	EUR 30.00 (If the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank.)
<u>Fixed Booking Fee per million ZCIS Notional Amount [in Trade Currency]</u>	<u>Minimum Booking Fee (floor) per ZCIS transaction</u>	<u>Maximum Booking Fee (cap) per ZCIS transaction</u>
<u>EUR 0.30</u> <u>(If the relevant Trade Currency is not Euro, the same amount (0.30) shall be applied in the relevant Trade Currency without currency conversion)</u>	<u>EUR 30.00</u> <u>(If the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank.)</u>	<u>EUR 40.00</u> <u>(If the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank.)</u>

- (2) ~~The Fixed Booking Fee~~ booking fee pursuant to this pricing model shall be due and payable by the Clearing Member upon receipt of the invoice for the relevant calendar month shall be charged with the invoice, issued for the relevant calendar month. By payment of the Fixed Booking Fee in accordance with this pricing model booking fee, all services ~~to be provided by Eurex Clearing in relation to the relevant DC-Related Transaction of such Clearing Member in relation to a specific OTC Interest Rate Derivative Transaction DC~~ pursuant to Chapter VIII Part 1 Number 1.2.7 Paragraph (4) Number 2.6 (except for services in relation to trade netting with the exception of Trade Netting Fees in accordance with Number 10.5.1), Number 2.7 and Number 2.8 of the Clearing Conditions shall be covered.

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

10 Transaction Fees for OTC Interest Rate Derivative Transactions

[...]

10.2 Standard Pricing Model

[...]

10.2.1 Standard Pricing Model A

[...]

10.2.1.1 Booking Fee per OTC Interest Rate Derivative Transaction

(1) For the novation of each OTC Interest Rate Derivative Transaction in accordance with Chapter VIII Part 1 Number 1.2.1 of the Clearing Conditions or Chapter II Part 1 Number 1.2.1 of the FCM Regulations, a fixed booking fee per OTC Interest Rate Derivative Transaction ("**Fixed Booking Fee**") of

[...]

(5) The OTC Interest Rate Derivative Booking Fee shall ~~exclusively be paid by the Clearing Member with the invoice~~ be due and payable by the Clearing Member upon receipt of the invoice issued for the relevant calendar month. By payment of the OTC Interest Rate Derivative Booking Fee, all services ~~to be provided by Eurex Clearing in relation to an OTC Interest Rate Derivative Transaction pursuant to Chapter VIII Part 1 Number 1.2.7 Paragraph (4), Number 2.6 (with the exception of except for Trade Netting Fees~~ services in relation to trade netting in accordance with Number 10.45.1), Number 2.7 (except for the transfer of an OTC Interest Rate Derivative Transaction to another Clearing Member (trade transfer) pursuant to Number 2.7.1 or 2.7.2) and Number 2.8 of the Clearing Conditions, or pursuant to Chapter II Part 1 Number 1.2.5 Paragraph (4), Number 2.6 (except for services in relation to trade netting with the exception of Trade Netting Fees in accordance with Number 10.45.1), Number 2.7 ~~(with the exception of except for the~~ a transfer of an OTC Interest Rate Derivative Transaction to another Clearing Member (trade

~~transfer~~ pursuant to Number 2.7.1 or 2.7.2) and Number 2.8 of the FCM Regulations, shall be covered.

10.2.1.2 Booking Fee per OTC Interest Rate Derivative Transaction for Trade Transfer and Account Transfer

For each transfer of an OTC Interest Rate Derivative Transaction ~~to another Clearing Member, Basic Clearing Member or FCM Clearing Member~~ pursuant to Chapter VIII Part 2 Number 2.7.1 or 2.7.2 of the Clearing Conditions or pursuant to Chapter II Part 2 Number 2.7.1 or 2.7.2 of the FCM Regulations (~~“Trade Transfer~~ each a **“Transfer”** for the purposes of this Number 10.2.1), Eurex Clearing may charge the respective transferee Clearing Member and/or the respective transferor Clearing Member a percentage of the originally calculated OTC Interest Rate Derivative Booking Fee for the relevant OTC Interest Rate Derivative Transaction.

[...]

10.2.1.4 Booking Fee per OTC Interest Rate Derivative Transaction for Bunched Order Transactions and Transfer Fee for Bunched Order Transactions

(1) ~~—~~ For the novation of ~~bunched Orders~~ order transactions in an account which was designated by the Clearing Members as a suspense account for the initial clearing of bunched order transactions (**“Bunched Orders Suspense Account”**), Eurex Clearing AG may charge the respective Clearing Member a percentage of the originally calculated OTC Interest Rate Derivative Booking Fee for the relevant OTC Interest Rate Derivative Transaction.

[...]

(2) In deviation of Number 10.2.1.2, Eurex Clearing shall charge the transferee Clearing Member for each Transfer from a Bunched Order Suspense Account to another transaction account a fee that amounts to 100 per cent of the OTC Interest Rate Derivative Booking Fee, based on the notional of the transferred OTC Interest Rate Derivative Transaction.

[...]

10.2.1.7 Rebate scheme on the Maintenance Fee with respect to DCs

(1) A Clearing Member shall, with respect to DC-related Transactions relating to a specific DC, receive a rebate on the maintenance fee calculated based on the Standard Pricing Model A. The rebate depends on the outstanding notional which, with regard to OTC Interest Rate Derivative Transactions, ~~emerges is booked to~~ the respective DC P Account or on all DC Flex Accounts at the end of the last day of each month.

(2) The applicable rebate(s) shall be determined at the end of each calendar month based on their accordance with the calculation for the eligible transactions in the month following provisions.

[...]

Let N be the outstanding notional of all relevant OTC Interest Rate Derivative Transactions relating to the respective DC at the end of the last day on ~~at the end~~ ~~the last day~~ of the given month. Furthermore, let v be the outstanding notional of the respective OTC Interest Rate Derivative Transaction relating to the respective DC on the last day at the end of the last day of the same month.

[...]

10.2.2 Standard Pricing Model B

[...]

10.2.2.2 Booking Fee per OTC Interest Rate Derivative Transaction for Trade Transfer and Account Transfer

[...]

10.3 High Turnover Pricing Model

[...]

10.3.2 Booking Fee for Trade Transfer and Account Transfer

For each transfer of an OTC Interest Rate Derivative Transaction pursuant to Chapter VIII Part 2 Number 2.7.1 or 2.7.2 of the Clearing Conditions (each a “Transfer” for the purposes of this Number 10.3). ~~Trade Transfer~~, Eurex Clearing may charge the respective transferee Clearing Member a percentage of the originally calculated OTC Interest Rate Derivative Booking Fee for the relevant OTC Interest Rate Derivative Transaction.

[...]

10.3.4 Booking Fee per OTC Interest Rate Derivative Transaction for Bunched Order Transactions

(1) For the novation of ~~Bunched Orders~~ bunched order transactions in a Bunched Orders Suspense Account, Eurex Clearing AG may charge the respective Clearing Member a percentage of the originally calculated OTC Interest Rate Derivative Booking Fee for the relevant OTC Interest Rate Derivative Transaction.

[...]

(2) In deviation of Number 10.3.2, Eurex Clearing shall charge the transferee Clearing Member for each Transfer from a Bunched Order Suspense Account to another transaction account a fee that amounts to 100 per cent of the booking fee as outlined in Number 10.3.1, based on the notional of the transferred OTC Interest Rate Derivative Transaction.

10.4 Rebate Scheme for Clearing Members' Own Transactions

[...]

(5) Rebate schemes

[...]

a) Calculation methodology for rebates on the Booking Fee

[...]

If $N + v > \textit{Threshold}$, then the OTC Interest Rate Derivative Booking Fee for the transaction with cleared notional v will receive a rebate of R per cent as laid out in lit. c) and/or d).

b) Calculation methodology for rebates on the Maintenance Fee

The rebate for the ~~m~~Maintenance fFee pursuant to Number 10.2.1.6 for the OTC Interest Rate Derivative Transactions shall be determined at the end of each calendar month on accordance with the following provisions; and it applies a specific day, and with regard to maintenance fees that arise in respect of the notional of OTC Interest Rate Derivative Transactions the proportion which exceeds the applicable volume threshold (if any) and is thus no longer covered by the fixed fee, is calculated according to the following model:

Let N be the outstanding notional of all relevant OTC Interest Rate Derivative Transactions on a specific day at the end of the last day of a given month, so that $N \leq \textit{Threshold}$.

Let v be the outstanding notional of another relevant OTC Interest Rate Derivative Transaction on the given day at the end of the last day of the same month.

If $N + v > \textit{Threshold}$, then the OTC Interest Rate Derivative ~~m~~Maintenance fFee for the transaction with outstanding notional v will receive a rebate of R per cent as laid out in lit. c) and/or d).

The total monthly rebate is calculated by adding the relevant ~~daily~~ rebates with regard to outstanding OTC Interest Rate Derivative Transactions in the relevant monthly period.

c) Rebate scheme for the products IRS, OIS and FRA:

	Gold pack	Basic pack
Fixed fee per annum per pack (payable in 12 monthly instalments)	EUR 2.75 million	EUR 1.50 million

		Gold pack	Basic pack
Booking Fee			
Threshold: cumulated cleared notional	IRS and OIS	no threshold	EUR 200 billion
	FRA	no threshold	EUR 500 billion
Rebate (R) in % on the OTC Interest Rate Derivative Booking Fee for IRS, OIS and FRA calculated based on the Standard Pricing Model (above threshold)		n.a.	n.a.
Maintenance Fee			
Threshold: daily outstanding notional <u>at the end of the last day of each month</u>	IRS and OIS	no threshold	EUR 300 billion
	FRA	no threshold	n.a.
Rebate (R) in % on the OTC Interest Rate Derivative m aintenance f ee for IRS and OIS calculated based on the Standard Pricing Model (above threshold)		n.a.	n.a.

[...]

d) Rebate scheme for the product ZCIS:

	Gold pack	Silver pack
Fixed fee per annum per pack in EUR (payable in 12 monthly instalments)	EUR 375,000	EUR 70,000
Booking Fee		
Threshold: cumulated cleared notional	no threshold	EUR 8 billion
Rebate (R) in % on the OTC Interest Rate Derivative Booking Fee calculated based on the Standard Pricing Model (above threshold)	n.a.	60 %
Maintenance Fee		
Threshold: daily outstanding notional <u>at the end of the last day of each month</u>	no threshold	EUR 8 billion
Rebate (R) in % on the OTC Interest Rate Derivative m aintenance f ee calculated based on the Standard Pricing Model (above threshold)	n.a.	60 %

[...]

e) Provisions for rebate schemes on Clearing Member group level

[...]

The share payable by each Clearing Member belonging to a group with respect to a monthly instalment of the fixed fee applicable to a rebate scheme shall be based on its performance in comparison with the other Clearing Members belonging to the respective group in the respective month. The performance shall be determined based on the sum of the undiscounted gross revenues applicable for each Clearing Member with respect to the products covered by the respective rebate scheme, whereby the sum of the undiscounted gross revenues shall be calculated by applying the normal fee structure of the Price List (i.e. without consideration of the rebate scheme) on the OTC Interest Rate Derivative Notional Amount cleared and outstanding notional at the end of the last day of the given month by the respective Clearing Member:

Let x be the performance of Clearing Member 1 (CM1) and y the performance of Clearing Member 2 (CM2) which form a group. The share of the monthly instalment fee to be paid by CM1 is $x/(x+y)$ multiplied with the monthly instalment of the applicable fixed fee. The share of the monthly instalment fee to be paid by CM2 is $y/(x+y)$ multiplied with the monthly instalment of the applicable fixed fee.

[...]
