

24 Aug 2021
Eurex Clearing

Money Market Futures: Introduction of 3M SARON® Futures with a new naming convention and other amendments to the legal framework of Eurex Clearing AG

Eurex Clearing Circular 076/21 Money Market Futures: Introduction of 3M SARON® Futures with a new naming convention and other amendments to the legal framework of Eurex Clearing AG

1. Introduction

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

- I. Amendments to the Clearing Conditions and the Price List regarding clearing services for 3M SARON® Futures (FSR3) with a new contract naming convention
- II. Clarifying amendment to the Clearing Conditions concerning reports for settlement institutions

The amendments will become effective on **27 September 2021**.

Please refer to Eurex circular 083/21 for detailed trading-related information as well as the amendments to the relevant Rules and Regulations of Eurex Deutschland.

Production start: 27 September 2021

2. Required action

There is no required action for the participants.

3. Details of the initiative

I. Amendments of the Clearing Conditions and the Price List regarding clearing services for 3M SARON® Futures (FSR3) with a new contract naming convention

A. Product overview

Product name	Currency	ISIN	Product code	Product type
3M SARON® Futures	CHF	DE000A3CTV01	FSR3	FINT

Please refer to Eurex circular 083/21 for further information.

B. Contract specifications

For the detailed contract specifications, please refer to Eurex circular 083/21.

C. Product group

The product group of the new products is as follows:

Product	Product group	Settlement location unit	Regulatory status	Settlement type	Product type	Product segment
3M SARON® Futures	Money Market Futures	No	Approved for U.S. trading	Cash	F	Money Market CHF

D. Transaction fees

The fees for the 3M SARON® Futures (FSR3) can be retrieved from the updated sections of the Price List, as outlined in Attachment 2.

E. Risk parameters

Margins for the new products are calculated in Prisma. For the risk parameters of the new products, please refer to the Eurex Clearing website www.eurex.com/ec-en/ under the link:

Services > Risk parameters

The following provisions of the Clearing Conditions and Price List will be amended as outlined in the attachments:

- ◆ Chapter II Part 2 Numbers 2.1.2 and 2.2.2 of the Clearing Conditions
- ◆ Numbers 3.1, 3.3 and 3.4 of the Price List

II. Clarifying amendment to the Clearing Conditions concerning reports for settlement institutions

Concerning the already existing service of providing relevant reports to settlement institutions, a clarifying phrase is added to Chapter I Part 1 Number 2.1.2 paragraph 7 of the Clearing Conditions.

As of the effective date, the full version of the amended Price List and the Clearing Conditions will be available for download on the Eurex Clearing website under the following link:

Rules & Regs > Rules and Regulations

The 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 10 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 Clearing Conditions of Eurex Clearing AG
2. Amended sections of the Price List of Eurex Clearing AG

Further information

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

Target groups: Front Office/Trading, Middle + Backoffice, IT/System Administration, Auditing/Security Coordination

Related circular: Eurex circular 083/21

Contact: client.services@eurex.com

Web: www.eurex.com/ec-en/

Authorized by: Jens Janka

Further information

- [Attachment 1 to Eurex Clearing circular 076/21](#)
- [Attachment 2 to Eurex Clearing circular 076/21](#)

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Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 27.09.2021

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

2 Clearing Members

2.1 Clearing License

[...]

2.1.2 General Prerequisites for Clearing Licenses

[...]

- (7) Eurex Clearing AG may, upon written application and upon submission of appropriate evidence, permit the applicant or a Clearing Member that the prerequisites for the granting of a Clearing License pursuant to Paragraph (4) (a) (ff) above as well as – optionally – the prerequisites pursuant to Paragraph (5) (e) will be fulfilled by one or more settlement institutions on behalf of and for the applicant or the Clearing Member, respectively. The Clearing Member shall ensure that the appointed settlement institution(s) complies with the Clearing Conditions. Eurex Clearing AG is authorised to request at any time written evidence regarding the compliance with the Clearing Conditions in accordance with Sentence 1 and 2; the costs shall be borne by the Clearing Member. Eurex Clearing AG will provide the settlement institution with the relevant reports.

[...]

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 27.09.2021

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 2 Clearing of Futures Contracts

[...]

2.1 General Provisions

[...]

2.1.2 Daily Settlement Price

[...]

[...]

(4) Reference times

The scheduled reference times for the determination of the daily settlement prices for the respective Futures Contracts are set out in the table below:

Contract	Reference Time (CE(S)T)
[...]	
Money Market Futures Contracts: FEO1, FEU3 ₂ and <u>FSR3</u> FSO3 FLIC	17:15 18:00
[...]	

[...]

[...]

2.2 Clearing of Money Market Futures Contracts

[...]

2.2.2 Final Settlement Price

- (1) With respect to ~~Three-Month~~ EURIBOR Futures Contracts, the final settlement price will be determined by Eurex Clearing AG in EUR on the final settlement day of the respective contract (pursuant to Number 1.1.4 (1) of the Eurex Contract Specifications) on the basis of the ~~reference interest rate three-month Euro Interbank Offered Rate ("EURIBOR-calculated")~~ as published by the European Banking Federation (EBF) and Financial Market Association (ACI) at that day for Three-Month cash deposit in Euro at the final settlement day of a contract Money Markets Institute ("EMMI") at 11 a.m. CE(S)T.
- (2) With respect to ~~Three-Month~~ 3M SARON® Futures Contracts, the final settlement price will be determined by Eurex Clearing AG in CHF on the final settlement day of the respective contract (pursuant to Number 1.1.4 (2) of the Eurex Contract Specifications) on the basis of the ~~average of the~~ Swiss Average Rate Overnight ("SARON®") index SARON® over a three-month period as published by SIX Swiss Exchange AG at 6 p.m. CE(S)T, averaged over a three-month period taking into account the compounded interest effect, after 6 p.m. CE(S)T.

The final settlement price (FSP) is determined by the following formula:

$$FSP = 100 - \left[\frac{360}{N} \left(\prod_{i=1}^M \left(1 + \frac{F_i * w_i}{360} \right) - 1 \right) \right] * 100$$

Where:

M is the number of observations of ~~the~~ SARON® in the respective contract reference quarter.

N is the number of calendar days in the reference quarter.

F_i is the SARON® fixing (in percent) for the i -th CHF banking day ~~(in percent)~~ in the reference quarter.

~~w_i~~ w_i is the number of days that F_i is applied.

With regard to calendar days on which SARON® is not published, SARON® as published on the preceding business day shall be applied.

- (3) With respect to EONIA Futures Contracts, the final settlement price will be determined by Eurex Clearing AG ~~in Euro at~~ EUR on the final settlement day of a contract after 9:15 a.m. CE(S)T (pursuant to Number 1.1.4 (5) of the Eurex Contract Specifications) on the basis of the average of the effective interest rates for overnight

deposits calculated by the ~~European Central Bank~~ ECB over the Accrual Period of the relevant EONIA Futures contract at 9:15 a.m. CE(S)T; where “**Accrual Period**” means, with respect to an EONIA Futures contract, a period of time corresponding to the term of the EONIA Futures contract determined by the Eurex Exchange. The average will be calculated taking into account the compound interest effect after 9:15 a.m. CE(S)T on the final settlement day.

The final settlement price (**FSP**) shall be determined pursuant to ~~by~~ the following formula.

$$FSP=100-\left[\frac{360}{N}\left(\prod_{i=1}^M\left(1+\frac{F_i*w_i}{360}\right)-1\right)\right]*100$$

Where:

F_i is with respect to any Observation Day in the Accrual Period, the EONIA interest rate (expressed as an percentage) calculated by the ~~European Central Bank~~ ECB and published (through any such publication channel that Eurex Clearing AG deems appropriate) by the ~~European Money Market Institute~~ EMMI for such Observation Day.

[...]

Observation Days is each day for which the EONIA interest rate is calculated by the ~~European Central Bank~~ ECB and published by the ~~European Money Market Institute~~ EMMI.

w_i is, with respect to any EONIA interest rate F_i , the number of calendar days in the period from, and including, the Observation Day to which such EONIA interest rate F_i relates to, but excluding, the immediately following Observation Day.

Subject to and in accordance with the above formula, (i) all EONIA reference interest rates which were calculated by the ~~European Central Bank~~ ECB during the term of a period of time determined by the Eurex Exchange of the Futures Contract shall contribute to the calculation of the average and (ii) for Saturdays, Sundays and holidays or any other day for which the ~~European Central Bank~~ ECB does not calculate a EONIA interest rate, the EONIA interest rate calculated by the ~~European Central Bank~~ ECB for the previous day, will form the basis of the calculation.

- (4) With respect to the EUR Secured Funding ~~Rate Futures contract~~ Contracts, the final settlement price will be determined by Eurex Clearing AG on the final settlement day of the respective contract (pursuant to Number 1.1.4 (46) of the Eurex Contract Specifications) on the ~~final settlement day of a contract~~ on the basis of the average of all interest rates regarding the STOXX® GC Pooling EUR Deferred Funding Rate

calculated during the term of a period of time determined by the Eurex Exchange, taking into account the compound interest effect, after 7 p.m. CE(S)T.

The final settlement price (**FSP**) is determined by the following formula:

$$FSP=100-\left[\frac{360}{N}\left(\prod_{i=1}^M\left(1+\frac{F_i*w_i}{360}\right)-1\right)\right]*100$$

Where:

[...]

~~With regard to Saturdays, Sundays or public holidays for calendar days on which an interest rate regarding the STOXX® GC Pooling EUR Deferred Funding Rate was calculated, the STOXX® GC Pooling EUR Deferred Funding Rate calculated as published on the preceding exchange business day shall form the basis for such calculation be applied.~~

- (5) ~~The~~ With respect to Three-Month EURIBOR Futures Contracts, 3M SARON® Futures Contracts, EONIA Futures Contracts and EUR Secured Funding Futures Contracts, the final settlement price will be determined by rounding the EONIA average interest rate, result of the calculation between the SARON® average interest rate over a three-month period, respective outer pair of square brackets in the reference interest rate EURIBOR calculated for Three Month cash deposits as well respective formula as the EUR Secured Funding interest rate regarding the STOXX GC Pooling EUR Deferred Funding Rates set out above to three decimal places and by subtracting the amount from 100, (as set out above). When rounding to the third decimal place, the following procedure shall be used. If the value of the fourth decimal place lies between 1 and 5, the third decimal place shall be rounded down; if the value of the fourth decimal place lies between 6 and 9, the third decimal place shall be rounded up. (Example: If a EURIBOR interest rate is determined at 1.2235, it shall be rounded down to 1.223 and this amount be subtracted from 100).

[...]

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

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DELETIONS ARE CROSSED OUT

[...]

3 Transaction Fees for Derivatives Transactions (Order Book Transactions and Off-Book Transactions on the Eurex Exchange)

[...]

3.1 Matching / Registration of Derivatives Transactions

[...]

(7) [...]

Product / Product Group	Currency	Execution Type	Accounts	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold (number of contracts)
[...]						
Interest Rate Derivatives						
Interest Rate Futures						
[...]						
Three-Month SARON® Futures	CHF	Order book	A	0,50	n. a.	n. a.
			P	0,40	n. a.	n. a.
			M	0,40	n. a.	n. a.
		Eurex EnLight	A	0,75	n. a.	n. a.
			P	0,60	n. a.	n. a.
			M	0,60	n. a.	n. a.
		TES	A	0,75	n. a.	n. a.
			P	0,60	n. a.	n. a.
			M	0,60	n. a.	n. a.
<u>3M SARON® Futures</u>	<u>CHF</u>	<u>Order book</u>	<u>A</u>	<u>0,50</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>P</u>	<u>0,40</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>M</u>	<u>0,40</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>A</u>	<u>0,75</u>	<u>n. a.</u>	<u>n. a.</u>

Product / Product Group	Currency	Execution Type	Accounts	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold (number of contracts)
[...]		Eurex EnLight	<u>P</u>	0.60	n. a.	n. a.
			<u>M</u>	0.60	n. a.	n. a.
		TES	<u>A</u>	0.75	n. a.	n. a.
			<u>P</u>	0.60	n. a.	n. a.
			<u>M</u>	0.60	n. a.	n. a.
		[...]				

[...]

3.3 Position Closing Adjustments

- (1) For Position Closing Adjustments, if these do not take place until 13:30 CET on the trading day following the day of the transaction, the following fees shall be charged:

Product / Product Group	Account	Fee per Contract
[...]		
Stock Tracking Futures with Group ID assigned in Annex H of the Eurex Contract Specifications		
[...]		
Interest Rate Derivatives		
[...]		
Three-Month SARON® Futures	A	CHF 1.00
	P	CHF 0.80
	M	CHF 0.80
<u>3M SARON® Futures</u>	<u>A</u>	<u>CHF 1.00</u>
	<u>P</u>	<u>CHF 0.80</u>
	<u>M</u>	<u>CHF 0.80</u>
[...]		

[...]

3.4 Cash Settlement

- (1) The following fees are charged for cash settlement of the products listed below:

Product / Product Group	Account	Fee per Contract	Maximum Fee for Contracts on the same underlying
[...]			
Interest Rate Derivatives			
[...]			

Product / Product Group	Account	Fee per Contract	Maximum Fee for Contracts on the same underlying
Three-Month SARON® Futures	A	CHF 0.50	n. a.
	P	CHF 0.40	n. a.
	M	CHF 0.40	n. a.
<u>3M SARON® Futures</u>	<u>A</u>	<u>CHF 0.50</u>	<u>n. a.</u>
	<u>P</u>	<u>CHF 0.40</u>	<u>n. a.</u>
	<u>M</u>	<u>CHF 0.40</u>	<u>n. a.</u>
[...]			

[...]

[...]
