

**Eurex Clearing AG**

**ECAG Rule Certification—Eurex Clearing AG Guideline on Monitoring and Auditing the Risk Management Practices of FCM Clearing Members**

**September 25, 2018**

1. The text of the updated Eurex Clearing AG Guideline on Monitoring and Auditing the Risk Management Practices of FCM Clearing Members (“US CM Monitoring Guideline”) is appended as Attachment A. As this is a complete update, additions are not underlined.
2. The date of intended implementation of the proposed amendments is ten business days following the filing of this submission.
3. Attached please find a certification that: (1) these rules 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 with redactions for confidential information 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 pursuant to CFTC Regulation 40.8(c) is requested for Attachment A. Please see attached letter for detailed written justification.**

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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 to implement the US CM Monitoring Guideline appended as Attachment A. CFTC Regulations 39.12 and 39.13 impose certain regulatory requirements on registered derivatives clearing organizations (“DCO”) to monitor and audit U.S. Clearing Members, including with respect to verifying clearing member compliance with participation requirements on an ongoing basis and reviewing risk management policies, procedures, and practices of clearing members on an ongoing basis and documenting such reviews. In addition, Paragraph (6) of Eurex Clearing’s DCO Order provides that Eurex Clearing must ensure performance of all self-regulatory functions required as a registered DCO.

During its DCO application process, Eurex Clearing engaged RPM Financial Markets Group LLC (“RPM”) as a third-party service provider to assist Eurex Clearing with all clearing member monitoring and audit responsibilities falling under CFTC Regulations 39.12 and 39.13. In addition, during its DCO application process, Eurex Clearing submitted a policy governing such monitoring as Exhibit O to Eurex Clearing’s DCO application.

After consultations with RPM, Eurex Clearing is proposing to update and supersede Exhibit O of the DCO application with the US CM Monitoring Guideline. The proposed implementation of Eurex Clearing’s U.S.

LSOC offering, new FCM Regulations, and input from RPM all informed the US CM Monitoring Guideline.

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 they implement a new monitoring and audit guideline to verify, on an ongoing basis, US Clearing Members’ compliance with each participation requirement of Eurex Clearing in compliance with this Core Principle.
2. DCO Core Principle D (Risk Management): The proposed amendments will comply with DCO Core Principle D because they implement a new monitoring and audit guideline to review the risk management policies, procedures, and practices of each US Clearing Member, which address the risks that US Clearing Members may pose to Eurex Clearing, on a periodic basis and to document such reviews 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 amended Rule complies 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 with redactions for confidential information to its website at:  
<http://www.eurexclearing.com/clearing-en/resources/cftc-dco-filing>.



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