

Eurex Clearing AG
ECAG Rule Certification 091-19
October 11, 2019

1. The text of the proposed amendments to the Clearing Conditions (“Clearing Conditions”) 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 November 1, 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.

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 amendments to Chapter I (General Provisions) of the Clearing Conditions regarding the determination of interest rates with respect to Eligible Margin Assets in the form of cash. Since April 2018, Eurex Clearing has calculated interest rates with respect to Eligible Margin Assets in the form of cash, which it received as (Initial) Margin by its Clearing Members, on the basis of benchmark rates. Regarding negative interest rates, Eurex Clearing only applied these benchmarks, if such benchmark rates were more beneficial for the relevant Clearing Member than those rates calculated on the basis of the actual expenses Eurex Clearing had to bear itself. In order to support the regulatory agenda and in response to the current market conditions, specifically the ongoing negative interest rate environment in Europe, the proposed amendments provide further transparency regarding the determination of interest rates by focusing on the actual interest rate environment in the financial market.

Specifically, the proposed amendments provide that Eurex may determine from time to time to either pay interest or charge negative interest on Eligible Margin Assets in the form of cash. Additionally, the amendments provide that, when determining to charge negative interest, Eurex Clearing will consider the currently applicable benchmark interest rates and interest rates charged by the central banks or commercial banks.

For avoidance of doubt, the FCM Regulations of Eurex Clearing are not being amended by this rule filing and attached circular.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in the attached Eurex Clearing Circular 091/19, which is appended as 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 D (Risk Management): The proposed amendments will comply with DCO Core Principle D because the amendments provide that Eurex Clearing may charge negative interest on cash margin delivered on clearing (that is outside the scope of Eurex Clearing’s LSOC model), and all products cleared under Eurex Clearing’s DCO license will continue to be cleared 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>.



By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: October 11, 2019