



Eurex Clearing Circular 088/18

Amendment of the Clearing Conditions related to Reporting Requirements in accordance with Part 45 of the Rules by the U.S. Commodity Futures Trading Commission (CFTC)

Summary:

With this circular, Eurex Clearing AG (Eurex Clearing) announces the amendment of the Clearing Conditions of Eurex Clearing in relation to trade submissions from an Approved Trade Source (ATS) which is not a Swaps Execution Facility (SEF) to EurexOTC Clear in order to ensure compliance with Swap Data Reporting (SDR) Requirements under Part 45 of the CFTC rules. The changes will be effective on **12 November 2018**.

The amendment requires Clearing Members that have a reporting obligation according to Part 45 of the CFTC rules to provide necessary information, which enables Eurex Clearing to report the termination of the original swap to the same SDR to which the swap was initially reported.

The required information must be sent in a csv-file to TransactionManagement@eurexclearing.com on the same business day the trade has been submitted for clearing to EurexOTC Clear.

If you have any questions or require further information, please contact TransactionManagement@eurexclearing.com.

Attachment:

- Updated sections of the Clearing Conditions of Eurex Clearing AG

Date: 19 October 2018

Recipients:

All Clearing Members, Non-Clearing Members, Basic Clearing Members, OTC IRS FCM Clients and Registered Customers of Eurex Clearing AG and Vendors

Authorized by:

Heike Eckert

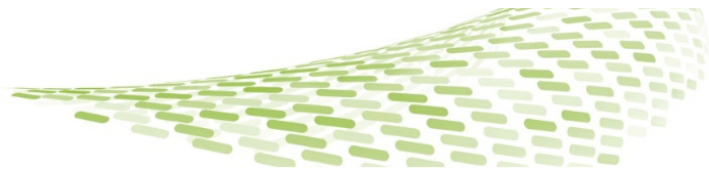
Target group:

- All departments

Related Eurex circular:

Contact:

TransactionManagement@eurexclearing.com



Amendment of the Clearing Conditions related to Reporting Requirements in accordance with Part 45 of the Rules by the U.S. Commodity Futures Trading Commission (CFTC)

Trade reporting requirements under Part 45 of the CFTC rules require Derivatives Clearing Organizations (DCOs) to report the termination of a reportable “alpha swap” cleared by the DCO to the same Swap Data Repository (SDR) to which this swap was initially reported. Thus, for trade submissions from an ATS to EurexOTC Clear, where at least one of the counterparties has a reporting obligation under Part 45 of the CFTC rules, Eurex Clearing, as a DCO, is obliged to report the termination of the “alpha swap”.

In case the ATS does not submit the relevant information automatically to Eurex Clearing, Clearing Members that have a reporting obligation according to Part 45 of the CFTC rules will be responsible to provide Eurex Clearing with the following information:

- Source System Trade ID (Trade ID assigned by the ATS prior to the submission to EurexOTC Clear, e.g. Tradeweb Trade ID)
- USI Prefix (Namespace of the Unique Swap Identifier – a unique code that identifies the registered entity creating the original (alpha) swap)
- USI Value (Transaction Identifier that uniquely identifies the original (alpha) swap)
- LEI SDR (Legal Entity Identifier of the original SDR)

The required information must be sent in a csv-file to TransactionManagement@eurexclearing.com on the same business day the trade has been submitted for clearing to EurexOTC Clear.

Accordingly, the following chapters of the Clearing Conditions of Eurex Clearing AG will be amended as outlined in the attachment:

- Chapter VIII Part 1 Number 1.6 and 1.7

The amendments in Chapter VIII will become effective on 12 November 2018. As of the effective date, the full version of the amended Clearing Conditions and the Price List will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations

Pursuant to Chapter I Part 1 Number 17.2.2 and Number 17.2.6 of the Clearing Conditions, each change and amendment of the Clearing Conditions published by this circular to Clearing Members, Non-Clearing Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members affected by such change or amendment (Affected Customers) at least fifteen (15) Business Days prior to the effective date indicated herein, are deemed accepted by each Affected Customer, unless it objects by written notice to Eurex Clearing AG within such period. The right of Eurex Clearing AG to terminate the Clearing Agreement pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (4) of the Clearing Conditions shall remain unaffected.

If you have any questions or require further information, please contact the Transaction Management team via e-mail: TransactionManagement@eurexclearing.com.

19 October 2018

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions

As of 12.11.2018

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

Part 1 General Provisions

[...]

1.6 US Reporting for Original OTC Transactions (via non-SEF ATS)

- 1.6.1 The relevant Clearing Member or Basic Clearing Member having a reporting obligation under Part 45 of the CFTC Regulation acknowledges that Eurex Clearing AG shall, as required under Part 45 of the CFTC Regulation, report to an Approved SDR the details of the Clearing Member's or Basic Clearing Member's Own Transactions and the details of Client Transactions for the Client Transaction Accounts of its Clients, along with any settlement, modification or termination of such Original OTC Transactions, and, to the extent further required under applicable law, to one or more other trade repositories.
- 1.6.2 Such Clearing Member must advise its Clients of Eurex Clearing AG's list of Approved SDR, and that Eurex Clearing AG will only report details of Client Transactions to an Approved SDR.
- 1.6.3 If the relevant Clearing Member or Basic Clearing Member having a reporting obligation under Part 45 of the CFTC Regulation transmits a Trade Record that contains an Original OTC Transaction via an ATS which is not a SEF, the relevant Clearing Member or Basic Clearing Member must provide Eurex Clearing AG with the unique swap identifier (as that term is used in Part 45 of the CFTC Regulation) for each Original OTC Transaction submitted to Eurex Clearing AG by or on behalf of the Clearing Member, along with the legal entity identifier (as that term is used in Part 45 of the CFTC Regulation) for the swap data repository to which the Original OTC Transaction was reported, when the Original OTC Transaction is submitted or immediately thereafter. The Clearing Member or Basic Clearing Member acknowledges that it must provide such information to Eurex Clearing AG so that Eurex Clearing AG may report the termination of the Original OTC Transaction to the relevant swap data repository on a timely basis, in accordance with its obligations under Part 45 of the CFTC Regulation. The relevant Clearing Member or Basic Clearing Member has to ensure that the Original OTC Transaction is legally effectively terminated upon novation.

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1.71.6 — Certain Definitions

[...]

“Approved SDR” means any swap data repository approved from time to time by Eurex Clearing AG for the submission of swap data relating to the novation of Original OTC Transactions.

[...]

“CFTC Regulation” means the rules, regulations and orders promulgated by the US Commodity Futures Trading Commission (CFTC).

[...]

“SEF” means trading facilities that operate under the regulatory oversight of the CFTC.

[...]

[...]

Kapitel VIII der Clearing-Bedingungen der Eurex Clearing AG

Clearing von OTC-Zinsderivat-Transaktionen, OTC-FX-Transaktionen und OTC-XCCY- Transaktionen

Stand 12.11.2018

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ÄNDERUNGEN SIND WIE FOLGT KENNTLICH GEMACHT:

ERGÄNZUNGEN SIND UNTERSTRICHEN,

LÖSCHUNGEN SIND DURCHGESTRICHEN.

Abschnitt 1 Allgemeine Bestimmungen

[...]

1.6 US-Reporting für Ursprüngliche OTC-Transaktionen (über Nicht-SEFs)

- 1.6.1 Das betreffende Clearing-Mitglied oder Basis-Clearing-Mitglied, welches einer Meldepflicht nach Abschnitt 45 der CFTC-Regeln unterliegt, erkennt an, dass die Eurex Clearing AG, wie in Abschnitt 45 der CFTC-Regeln vorgesehen, Details der Eigentransaktionen des Clearing-Mitgliedes oder des Basis-Clearing-Mitgliedes und Details von Kundentransaktionen für Kunden-Transaktionskonten seiner Kunden sowie bzgl. Abwicklung, Anpassung und Kündigung solcher Ursprünglichen OTC-Transaktionen an ein Anerkanntes SDR und, soweit nach geltendem Recht erforderlich, an ein oder mehrere Transaktionsregister melden muß.
- 1.6.2 Dieses Clearing-Mitglied muss seine Kunden über die Liste von Anerkannten SDRs der Eurex Clearing AG in Kenntnis setzen sowie von der Tatsache, dass die Eurex Clearing AG Details von Kundentransaktionen lediglich an ~~an~~ ein Anerkanntes SDR melden kann.
- 1.6.3 Wenn das betreffende Clearing-Mitglied oder Basis-Clearing-Mitglied, welches einer Meldepflicht nach Abschnitt 45 der CFTC-Regeln unterliegt, einen Transaktionsdatensatz, der Ursprüngliche OTC-Transaktionen enthält über ein ATS, welches kein SEF ist, überträgt, muss das betreffende Clearing-Mitglied oder Basis-Clearing-Mitglied der Eurex Clearing AG den „unique swap identifier“ (wie in den CFTC-Regeln definiert) für jede an die Eurex Clearing AG von oder für das Clearing-Mitglied übertragene Ursprüngliche OTC-Transaktion zusammen mit dem „legal entity identifier“ (wie in den CFTC-Regeln definiert) für das Swap-Daten-Register, an das die Ursprüngliche OTC-Transaktion gemeldet wurde, mitteilen, wenn die Ursprüngliche OTC-Transaktion übertragen wird oder unmittelbar im Anschluss daran. Das Clearing-Mitglied oder Basis-Clearing-Mitglied erkennt an, dass es sämtliche Informationen an die Eurex Clearing AG melden muß, so dass diese ihrerseits entsprechend Abschnitt 45 der CFTC-Regeln rechtzeitig die Aufhebung der Ursprünglichen OTC-Transaktionen an das entsprechende Swap-Daten-Register melden kann. Das betreffende Clearing-Mitglied oder Basis-Clearing-Mitglied muss sicherstellen, dass die Ursprüngliche OTC-Transaktion bei Novation rechtlich wirksam aufgehoben wird.

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4.61.7 Einzelne Begriffsbestimmungen

[...]

“Anerkanntes SDR” bedeutet ein von der Eurex Clearing AG anerkanntes Swap-Daten-Register (Swap Data Register, SDR) für die Übertragung von Swap-Daten in Bezug auf die Novation von Ursprünglichen OTC-Transaktionen.

[...]

“CFTC–Regeln” umfaßt die Regeln, Regularien oder Anordnungen, die von der US Commodity Futures Trading Commission (CFTC) erlassen wurden.

[...]

“SEF” bedeutet ein Handelssystem, welches unter der Aufsicht der CFTC operiert.

[...]
