

clear to trade



# eurex clearing

## circular 114/17

**Date:** 10 November 2017  
**Recipients:** All Clearing Members, Non-Clearing Members, Basic Clearing Members,  
FCM Clients and Registered Customers of Eurex Clearing AG and Vendors  
**Authorized by:** Thomas Laux

### **Amendments to the Clearing Conditions of Eurex Clearing AG**

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**Content may be most important for:**

➔ All departments

**Attachment:**

Amended sections of the Clearing Conditions  
of Eurex Clearing AG

**Summary:**

This circular contains information with respect to Eurex Clearing AG (Eurex Clearing)'s service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) for preparation of EurexOTC Clear Release 8.0. This includes the following topics:

1. Amendments due to requirements according to MiFID II/MiFIR (RTS26)
2. Enabling of netting/accumulation between ISDA Interest Rate Derivative Transactions and DRV Interest Rate Derivative Transactions (German Master Agreement)
3. Decommissioning of the maximum period length of long Stub Periods for fixed rate payments

The amended sections of the Clearing Conditions, as decided by the Executive Board of Eurex Clearing, are attached to this circular.

The amendments will come into effect on **4 December 2017**.



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## **Amendments to the Clearing Conditions of Eurex Clearing AG**

This circular contains information with respect to Eurex Clearing AG (Eurex Clearing)'s service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) for preparation of EurexOTC Clear Release 8.0. This includes the following topics:

1. Amendments due to requirements according to MiFID II/MiFIR (RTS26)
2. Enabling of netting/accumulation between ISDA Interest Rate Derivative Transactions and DRV Interest Rate Derivative Transactions (German Master Agreement)
3. Decommissioning of the maximum period length of long Stub Periods for fixed rate payments

The amended sections of the Clearing Conditions, as decided by the Executive Board of Eurex Clearing, are attached to this circular.

The amendments will come into effect on 4 December 2017.

Terms used and not otherwise defined in this circular shall have the meanings ascribed to them in the Clearing Conditions.

### **1. Amendments due to requirements according to MiFID II/MiFIR (RTS26)**

RTS 26 of MiFIR (Commission Delegated Regulation (EU) 2017/582 of 29 June 2016) requires CCPs to decide within 10 seconds from the time when an Original OTC Transaction was submitted to them for Clearing, or, if applicable, from the time when an Original OTC Transaction was accepted by the respective Clearing Member for Clearing, whether to accept or reject an Original OTC Transaction for Clearing.

In order to fulfill the requirements, the intraday margin call process will be decommissioned for new Original OTC Transactions that cannot be novated due to insufficient collateral; trades that do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets in time, will be rejected. This change does not apply to backloaded Original OTC Transactions or Transactions created due to Trade Netting and Accumulation, Transfer of CCP Transactions and Account Transfer or Termination.

In addition, Original OTC Transactions which were subject to a successful pre-execution limit check (i.e. assessment before the execution of an order on a trading venue to validate whether such order is within a defined credit limit for a party to an Original OTC Transaction that is not a Clearing Member and hence approved by its Clearing Member), will not be sent for Clearing Member take-up in Eurex Clearing's systems anymore.

Also, in order to comply with the regulatory requirement, the functionality which permits cancellation of the submission of an Original OTC Transaction for Clearing under certain conditions is decommissioned. However, the functionality is still in place in relation to the Transfer of CCP Transactions and Account Transfer or Terminations.

Original OTC Transactions, which are submitted to Eurex Clearing during the Eurex Clearing's Business Hours, will be processed by Eurex Clearing's automated systems as quickly as technically feasible. Original OTC Transactions submitted to Eurex Clearing at any other time will be processed on the next business day. Original OTC Transactions submitted to Eurex Clearing at 10pm (Frankfurt am Main time) may be processed on that day or on the following.

To reflect the changes, the following provisions of the Clearing Conditions will be amended as outlined in the attachment:

- Chapter VIII Part 1 Numbers 1.2.1, 1.2.3, 1.2.4, 1.2.5
- Chapter VIII, Part 2 Numbers 2.1.4.3, 2.1.4.4

## **2. Enabling of netting/accumulation between ISDA Interest Rate Derivative Transactions and DRV Interest Rate Derivative Transactions (German Master Agreement)**

With the novation of an Original OTC Transaction into a CCP Transaction, the product-related terms in the Clearing Conditions of Eurex Clearing AG apply corresponding to but independent from the relevant market standard agreement (ISDA, DRV/German Master or other) under which the Original OTC Transaction was concluded. Going forward EurexOTC Clear allows for netting/accumulation of CCP Transactions whose corresponding Original OTC Transactions were originally concluded under different market standard agreements. A logic will be implemented according to which following netting/accumulation a remaining CCP Transaction will qualify either as an ISDA Interest Rate Derivative Transaction or (in rare cases) as a DRV Interest Rate Derivative Transaction:

- If all netted/accumulated trades are ISDA Interest Rate Derivative Transactions, the remaining CCP Transactions will be novated to ISDA Interest Rate Derivative Transactions.
- If all netted/accumulated trades are DRV Interest Rate Derivative Transactions, the remaining CCP Transactions will be novated to DRV Interest Rate Derivative Transactions.
- If netted/accumulated trades are both ISDA and DRV Interest Rate Derivative Transactions, the remaining CCP Transactions will be novated to ISDA Interest Rate Transactions. Exception: In the case of Netting Level 1 and 2 and netting of exactly one ISDA Interest Rate Transaction with one DRV Interest Rate Transaction, if the DRV Interest Rate Transaction has the higher notional, the remaining Transaction will be novated to a DRV Interest Rate Transaction.

To reflect the changes, the following provisions of the Clearing Conditions will be amended as outlined in the attachment:

- Chapter VIII Part 2 Number 2.6

## **3. Decommissioning of the maximum period length of long Stub Periods for fixed rate payments**

Historically, the maximum period length of long Stub Periods for fixed rate payments has been restricted. As there is no methodological reason to keep these restrictions for the fixed rate and in order to enhance the trade eligibility for IRS and OIS Transactions, this restriction will be decommissioned.

To reflect the changes, the following provisions of the Clearing Conditions will be amended as outlined in the attachment:

- Chapter VIII Part 2 Number 2.1.4.1

The full version of the amended Clearing Conditions will be available for download on the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com) as of their respective effective date 4 December 2017 under the following link:

### **Resources > Rules and Regulations > Clearing Conditions**

Pursuant to Chapter I Part 1 Number 17.2.2 and Number 17.2.6 of the Clearing Conditions, the amendments to the Clearing Conditions communicated with this circular are deemed to have been accepted by each Clearing Member, Basic Clearing Member, FCM Clearing Member, Non-Clearing Member and each Registered Customer and FCM Client affected by such amendment unless they object in writing to Eurex Clearing at least fifteen (15) business days prior to the actual effective date of such amendment of the Clearing Conditions.

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

# Clearing of OTC Derivative Transactions

As of 04.12.2017

## Part 1 General Provisions

[...]

[...]

### 1.2.1 Novation

(1) For the purposes of including OTC Derivative Transactions into the Clearing by Eurex Clearing AG, the trade record of the relevant Original OTC Transaction has to be transmitted to Eurex Clearing AG via an Approved Trade Source System / ATS (both as defined in Paragraph (7)(a) below)~~(each an “Approved Trade Information Provider”)~~.

(2) Whenever:

~~(i)~~ the trade record of an Original OTC Transaction, including, as the case may be, a Credit Limit Token (as defined in Sub-Paragraph (b)(ii) below), is transmitted to Eurex Clearing AG via an ~~Approved Trade Information Provider~~ATS (such record, including, as the case may be, a Credit Limit Token, hereinafter referred to as a “Trade Record”); and

~~(a) (i)~~ (A) the parties to the Original OTC Transaction are Clearing Members or Basic-Clearing Members, each holding the relevant OTC Clearing License or OTC IRS FCM Clients; or

~~(b) B)~~ if where any party to the Original OTC Transaction is neither a Clearing Member holding the relevant OTC Clearing License nor a Basic Clearing Member; According to such ~~the~~ Trade Record, the Clearing Member holding the relevant OTC Clearing License has been designated as a Clearing Member for such party with respect to the relevant Original OTC Transaction, and

(i) has accepted in the system of Eurex Clearing AG the Original OTC Transaction for Clearing, or

(ii) outside the system of Eurex Clearing AG and prior to the conclusion of the Original OTC Transaction, such Clearing Member holding the relevant OTC Clearing License that, based on the trade record transmitted to Eurex Clearing AG via an Approved Trade Information Provider, has been designated as a Clearing Member for such party with respect to the relevant Original OTC Transaction has approved that it will act as a Clearing Member for such party with respect to such Original OTC Transaction and resulting CCP- and CM-RC Transactions and clear such transaction, and such approval has been submitted to Eurex Clearing AG via the ATS in the form of a credit limit token ~~has accepted in the system~~

~~of Eurex Clearing AG the Original OTC Transaction for Clearing;~~  
 and ("**Credit Limit Token**") as part of the Trade Record, and

\_\_\_\_\_  
 (ciii) \_\_\_\_\_ Eurex Clearing AG accepts such Original OTC Transaction for inclusion in the Clearing Procedures by making an OTC Trade Novation Report available to the Clearing Member (in the case of an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client) or Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) electronically via its system,

OTC Derivative Transactions will be concluded by way of novation (i) in accordance with Chapter I Part 1 Number 1.2.2 Paragraph (2), (ii) in the case of CCP-OTC IRS FCM Client Transactions, Chapter I Part 5 Number 1.4, or (iii) in case of a Basic Clearing Member Transaction, Chapter I Part 6 Number 1.3, ~~within a daily or weekly~~ the novation process as provided for with respect to the Transaction Type in Part 2.

- (3) Any acceptance of the Original OTC Transaction by Eurex Clearing AG for inclusion in the Clearing and the related novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2) or, in the case of CCP-OTC IRS FCM Client Transactions, Chapter I Part 5 Number 1.4, and, in case of a Basic Clearing Member Transaction, Chapter I Part 6 Number 1.3, as applicable, will be subject to the novation criteria pursuant to Number 1.2.3 and will be based on the ~~Trade Record~~ Trade Record including, as the case may be, the Credit Limit Token, provided by the ~~Approved Trade Information Provider~~ ATS on behalf of the parties to the Original OTC Transaction. Eurex Clearing AG relies on the accuracy of the data set out in the ~~trade record~~ Trade Record, including, as the case may be, the Credit Limit Token ~~transmitted~~ and is neither able nor obliged to verify whether the ~~Trade Record~~ received properly reflects the terms of the Original OTC Transaction entered into by the relevant parties, nor whether the respective Clearing Member – as indicated in the Credit Limit Token submitted to Eurex Clearing AG via the ATS – has actually approved that it will act as a Clearing Member for the respective party with respect to such Original OTC Transaction and resulting CCP- and CM-RC Transactions and clear such transaction.
- (4) Under the CCP Transactions created upon novation, the relevant Clearing Member or Basic Clearing Member has, in economic terms, the same economic role (e.g. as floating rate payer or as fixed rate payer, respectively) as such Clearing Member or Basic Clearing Member (in case of Own Transactions) or the Registered Customer (in case of RC-Related Transactions) or other customer (in case of Customer-Related Transactions) of the Clearing Member had under the Original OTC Transaction. The same principle applies to CM-RC Transactions *mutatis mutandis*. Under the CCP-OTC IRS FCM Client Transactions ~~Transactions~~ created upon novation, the relevant OTC IRS FCM Client has, in economic terms, the same economic role (e.g. as floating rate payer or as fixed rate payer, respectively) as such OTC IRS FCM Client had under the Original OTC Transaction.

[...]

(7) For the purposes of this Chapter VIII,

- (a) **“Approved Trade Source System” or “ATS”** means a provider of trade information to be appointed by each of the parties to an Original OTC Transaction, and recognised by Eurex Clearing AG, for the purpose of transmitting Trade Records of OTC Interest Rate Derivative Transactions for Clearing with Eurex Clearing AG, as published on the website of Eurex Clearing AG ([www.eurexclearing.com](http://www.eurexclearing.com)).

[...]

- (f) **“CM-Customer Transaction”** means a transaction corresponding to a CCP Transaction and which has been created between the Clearing Member and any customer (other than a Registered Customer or OTC IRS FCM Client) of the Clearing Member in accordance with the contractual arrangements between them. A CM-Customer Transaction shall exclusively be subject to the contractual arrangements between the relevant Clearing Member and its customer, which may refer to these Clearing Conditions.

~~(g) “OTC Novation Report” means an OTC Trade Event Report.~~

~~(gh) “OTC Trade Daily Summary Report” means a report that lists events occurring after the original novation which will be made available to the Clearing Members or Basic Clearing Members holding an Interest Rate Derivatives Clearing License (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) electronically via Eurex Clearing AG's system on each Business Day. The last OTC Trade Daily Summary Report will be made available at or around 11 pm (Frankfurt am Main time).~~

~~(h) “OTC Trade Novation Report” means a report produced by Eurex Clearing AG on the basis of the Trade Records transmitted via the relevant Approved Trade Source System which specifies the Original OTC Transactions to be novated into OTC Interest Rate Derivative Transactions (as defined in Part 2 of this Chapter VIII) as well as the respective CCP Transactions.~~

### 1.2.2 Legal Effectiveness of Novation

The novation becomes legally effective at the point of time when Eurex Clearing AG accepts the relevant OTC Derivative Transaction for Clearing by making the relevant OTC Trade Novation Report available to the relevant Clearing Member (and, in the case of a CCP-OTC IRS FCM Client Transactions, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) or, as the case may be, Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system.

### 1.2.3 Novation Criteria

- (1) Eurex Clearing AG will accept an Original OTC Transaction for inclusion in the Clearing in accordance with the ~~daily or weekly~~ novation process, ~~as applicable~~, if the following novation criteria are fulfilled:
1. A ~~Trade Record~~ of the Original OTC Transaction must be transmitted to the system of Eurex Clearing AG via an ~~Approved Trade Information Provider~~ ATS and the Original OTC Transaction was either
    - \_\_\_\_(i) entered into between two Clearing Members, two Basic Clearing Members or a Clearing Member and a Basic Clearing Member, in each case holding the relevant OTC Clearing License on the basis of the specifications made in such ~~Trade Record~~, or
    - \_\_\_\_(ii) accepted by the relevant Clearing Member(s) holding the relevant OTC Clearing License, as provided for in Number 1.2.1 Paragraph (2)~~a~~(i) or Number 1.2.1 Paragraph (2)~~a~~(ii);
  2. The ~~Trade Record~~ transmitted to Eurex Clearing AG via an ~~Approved Trade Information Provider~~ must specify in respect of the relevant Original OTC Transaction (i) that it is to be cleared by Eurex Clearing AG as well as (ii) (A) if any party of the Original OTC Transaction is a Clearing Member or Basic Clearing Member which does not hold the relevant OTC Clearing License, the Clearing Member holding the relevant OTC Clearing License selected by such party or (B) if any party of the Original OTC Transaction is an OTC IRS FCM Client, the OTC IRS FCM Clearing Member of such OTC IRS FCM Client or (C) if any party of the Original OTC Transaction is a Basic Clearing Member, the Clearing Agent of such Basic Clearing Member ;
  3. (i) The ~~Trade Record~~ is transmitted to Eurex Clearing AG in a format which allows Eurex Clearing AG to import the relevant data in its system, as communicated by Eurex Clearing AG to Clearing Members or Basic Clearing Members (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) that hold an OTC Clearing License and (ii) ~~and~~ no information required with respect to the terms of the relevant OTC Derivative Transaction as set out in Part 2 is missing;
- [...]
- (2) If a novation criterion is not fulfilled but the relevant OTC Trade Novation Report has nevertheless been made available via the system of Eurex Clearing AG and, accordingly, novation is effective, Eurex Clearing AG is entitled to terminate the CCP Transactions by notifying the relevant Clearing Member(s) (in the case of an Original OTC Transaction to which an OTC IRS FCM Client is a party, the relevant OTC IRS FCM Clearing Member acting on behalf such OTC IRS FCM Client) and Basic Clearing Member(s) (or the Clearing Agent(s) acting on behalf of the relevant Basic Clearing Member(s)) in writing (including by fax or e-mail) provided that none of the



two CCP Transactions created upon novation of the Original OTC Transaction was subject to (i) any netting or accumulation pursuant to Part 2 Number 2.56 or (ii) a transfer or trade amendment pursuant to Part 2 Number 2.67.

Upon and with effect of such termination, any CM-RC Transaction, if applicable, shall, without further notice, be terminated simultaneously; the relevant Clearing Member(s) shall inform the relevant Registered Customer(s) thereof. Otherwise, it is the responsibility of the relevant parties to agree on a bilateral basis to what extent, as a result of the termination of the relevant CCP Transaction, any Client Clearing CM-RC Transaction or CM-Customer Transaction shall be terminated and the Original OTC Transaction shall be re-instated in accordance with its original terms.

#### 1.2.4 Special Provisions with respect to the Conclusion of CCP Transactions

- (1) If the Clearing Member or Basic Clearing Member holds an Interest Rate Derivatives Clearing License pursuant to Part 2 Number 2.1.3, the Clearing Member or Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ~~Approved Trade Source System~~ ATS, and (ii) confirms that it has appointed the relevant ~~Approved Trade Source System~~ ATS to receive trade communications and generate and send trade communications to Eurex Clearing AG on its behalf. Eurex Clearing AG may rely on such trade communications.
- (2) By entering into the Clearing Agreement in the form appended to the Clearing Conditions as Appendix 10, the OTC IRS FCM Client (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ~~Approved Trade Source System~~ ATS and (ii) confirms that it has appointed the relevant ~~Approved Trade Source System~~ ATS to receive trade communications and to generate and send trade communications to Eurex Clearing AG on its behalf. Eurex Clearing AG may rely on such trade communications.
- (3) The Clearing Member or the Basic Clearing Member, as the case may be, agrees that upon acceptance of an Original OTC Transaction for inclusion in the Clearing by Eurex Clearing AG based on a ~~T~~trade ~~R~~record of an Original OTC Transaction (including, as the case may be, a Credit Limit Token) submitted by the ~~Approved Trade Source System~~ ATS to Eurex Clearing AG on behalf of the Clearing Member or Basic Clearing Member pursuant to Number 1.2.1, a Transaction will be concluded between Eurex Clearing AG and the Clearing Member on terms based on the ~~trade record~~ Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.2.2 Paragraph (2) of the General Clearing Provisions or between Eurex Clearing AG and the Basic Clearing Member on terms based on the ~~trade record~~ Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.3 Paragraph (2) of the Basic Clearing Member Provisions. The Clearing Member or the Basic Clearing Member, as the case may be, agrees to be legally bound by each such Transaction and acknowledges that no further specific agreement to be legally

bound shall be required to be given by the Clearing Member or the Basic Clearing Member, as the case may be, at the time of the conclusion of such Transaction.

- (4) The OTC IRS FCM Client agrees that upon acceptance of an Original OTC Transaction for inclusion in the Clearing by Eurex Clearing AG based on a ~~trade record~~ Trade Record of an Original OTC Transaction submitted by the ~~Approved Trade Source System~~ ATS to Eurex Clearing AG on behalf of such OTC IRS FCM Client (or the OTC IRS FCM Clearing Member acting for the account of such OTC IRS FCM Client) pursuant to Number 1.2.1, a Transaction will be concluded between Eurex Clearing AG and the OTC IRS FCM Client on terms based on the ~~trade record~~ Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.4 of the U.S. Clearing Model Provisions. The OTC IRS FCM Client agrees to be legally bound by each such Transaction and acknowledges that no further specific agreement to be legally bound shall be required to be given by the OTC IRS FCM Client at the time of the conclusion of such transaction.
- (5) The Clearing Member, the OTC IRS FCM Client and the Basic Clearing Member should check without undue delay all notices and reports received from Eurex Clearing AG with regard to the correct conclusion of Transactions and inform Eurex Clearing AG of any mistakes, errors, omissions, deviations or irregularities in such notice or report in accordance with Number 4.6 of the General Clearing Provisions.
- (6) Eurex Clearing AG does not assume any liability vis-à-vis the OTC IRS FCM Clearing Member or the OTC IRS FCM Client in respect of inaccuracies in the ~~trade record~~ Trade Record submitted pursuant to Paragraph (4) above, or if the ~~trade record~~ Trade Record has not been initiated by the OTC IRS FCM Client.
- (7) The Clearing Member and the Basic Clearing Member acknowledge that Eurex Clearing AG does not assume any liability vis-à-vis them
- (i) in respect of inaccuracies in the Trade Record submitted to Eurex Clearing AG,  
or
- (ii) if the Trade Record has not been initiated by the Registered Customer, or
- (iii) if the respective Clearing Member has actually not approved outside the system of Eurex Clearing AG and prior to the conclusion of the Original OTC Transaction that it will act as a Clearing Member for such party with respect to such Original OTC Transaction and the resulting CCP- and CM-RC Transactions and clear such transaction, as indicated in the Credit Limit Token, or
- (iv) if the Credit Limit Token was created incorrect or incomplete or should not have been created.

#### 1.2.5 Special Provisions with respect to the Conclusion of CM-RC Transactions

- (1) By entering into the relevant Clearing Agreement, the Registered Customer (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ~~ATS~~ Approved Trade Source System and (ii) confirms that it has

appointed the relevant ~~ATS~~Approved Trade Source System to receive trade communications and to generate and send trade communications to Eurex Clearing AG on its behalf, and that the Clearing Member has agreed to this. Eurex Clearing AG may rely on such trade communications.

- (2) The Clearing Member and the Registered Customer agree that, upon conclusion of a CCP Transaction between Eurex Clearing AG and the Clearing Member based on a ~~trade record~~Trade Record of an Original OTC Transaction (including, as the case may be, a Credit Limit Token) submitted by the ~~Approved Trade Source System~~ATS to Eurex Clearing AG on behalf of the Registered Customer ~~for acceptance by the Clearing Member and Eurex Clearing AG~~ pursuant to Number 1.2.1, a corresponding CM-RC Transaction will, simultaneously, be concluded between the Clearing Member and the Registered Customer pursuant to Number 1.2.1 in conjunction with Number 1.2.2 Paragraph (2) of the General Clearing Provisions. The Registered Customer agrees to be legally bound by each such corresponding CM-RC Transaction and acknowledges that no further specific agreement to be legally bound shall be required to be given by the Registered Customer at the time of the conclusion of such corresponding CM-RC Transaction.
- (3) The Clearing Member and the Registered Customer should check and verify without undue delay all notices and reports received from Eurex Clearing AG with regard to the correct conclusion of Transactions and inform Eurex Clearing AG of any mistakes, errors, omissions, deviations or irregularities in such notice or report in accordance with Number 4.6 of the General Clearing Provisions.
- (4) Without prejudice to its obligations in respect of the relevant CCP Transaction, Eurex Clearing AG does not assume any liability vis-à-vis the Clearing Member or the Registered Customer in respect of inaccuracies in the ~~trade record~~Trade Record submitted pursuant to Paragraph (2) above, or if the ~~trade record~~Trade Record has not been initiated by the Registered Customer.
- (5) The Registered Customer, by entering into the relevant Clearing Agreement, irrevocably authorises Eurex Clearing AG to receive, also on its behalf, and for purposes of the conclusion of the corresponding CM-RC Transaction between the Clearing Member and the Registered Customer pursuant to Paragraph (2) above, any acceptance by the Clearing Member of the related Original OTC Transaction for Clearing.

#### **1.2.6 Special Provisions with respect to Client Clearing CM-RC Transactions**

- (1) By entering into the relevant ICM Clearing Agreement for ICM-CCD, the Registered Customer authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ~~Approved Trade Source System~~ATS.
- (2) By entering into the relevant ICM Clearing Agreement for ICM-CCD, the Registered Customer confirms that (i) it has appointed the relevant ~~Approved Trade Source System~~ATS to receive trade communications and to generate and send trade communications to Eurex Clearing AG on its behalf, and that (ii) the Clearing

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Member has agreed to this. Eurex Clearing AG may rely on such trade communications.

- (3) The Clearing Member and the Registered Customer should check and verify without undue delay all notices and reports received from Eurex Clearing AG with regard to the correct conclusion of Transactions and inform Eurex Clearing AG of any mistakes, errors, omissions, deviations or irregularities in such notice or report in accordance with Number 4.6 of the General Clearing Provisions.
- (4) Without prejudice to its obligations in respect of the relevant CCP Transaction, Eurex Clearing AG does not assume any liability vis-à-vis the Clearing Member or the Registered Customer in respect of inaccuracies in the ~~trade record~~ Trade Record submitted pursuant to Paragraph (2) above, or if the ~~trade record~~ Trade Record has not been initiated by the Registered Customer.

[...]

## **Part 2 Clearing of OTC Interest Rate Derivative Transactions**

### **2.1 General Provisions**

#### **2.1.1 Applicable General Provisions**

The general provisions of Part 1 apply to all OTC interest rate derivative transactions to be cleared by Eurex Clearing AG ("**OTC Interest Rate Derivative Transactions**"), except where deviating or supplementary provisions for OTC Interest Rate Derivative Transactions are set out in this Part 2.

#### **2.1.2 Consultation of Clearing Members and Basic Clearing Members/Committees**

##### **2.1.2.1 Determination of Transactions to be included in the Clearing**

- (1) On the basis of the relevant Transaction Type specific novation criteria set out in Number 2.1.4.1 below, Eurex Clearing AG determines the product types of OTC Interest Rate Derivative Transactions to be included in the Clearing of Eurex Clearing AG in consultation with the IRS Product Committee and publishes the relevant product types on its website ([www.eurexclearing.com](http://www.eurexclearing.com)).
- (2) Where a ~~trade record~~ Trade Record ~~transmitted via an Approved Trade Source System~~ containing an OTC Interest Rate Derivative Transaction which falls within a product type recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Numbers 2.2 to 2.4 below, such as e.g. optional or mandatory early termination provisions, such additional terms will not be included in the OTC Trade Novation Report and will not become part of the terms applicable to a CCP Transaction or a CM-RC Transaction, if

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applicable. Eurex Clearing AG will not store or record any data relating to such additional provisions.

[...]

[...]

### 2.1.3.1 Requirements for the Granting of an Interest Rate Derivative Clearing License

The general requirements for obtaining a Clearing License set out in Chapter I Part 1 Number 2.1.1 to 2.1.3 and 2.3.1 shall apply (except for Chapter I Part 1 Number 2.1.2 Paragraph (4) (a) (ee) and Number 2.1.2 Paragraph (5) (e)). In addition, the institution applying for an Interest Rate Derivatives Clearing License shall meet the following requirements:

(a) the institution is a participant in an ~~Approved Trade Source System~~ ATS;

[...]

### 2.1.4 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

With regard to the novation of OTC Interest Rate Derivative Transactions, the specific novation criteria set out in the following provisions shall apply in addition to the novation criteria pursuant to Part 1 Number 1.2.3.

#### 2.1.4.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC Interest Rate Derivative Transactions (based on the ~~trade record~~ Trade Record transmitted to Eurex Clearing AG via the ~~Approved Trade Source System~~ ATS):

[...]

(7) Shortened or extended calculation period (stub period)

In case of IRS and OIS, any non-standard shortened or extended calculation period ("**Stub Period**"), if any, must meet the following criteria:

[...]

(b) The minimum period length of short Stub Periods is one day. The maximum period length for long Stub Periods is ~~one year and one month~~ for (i) ~~both~~, fixed rate payments under IRS in any eligible currency, (ii) ~~floating rate payments under IRS in EUR or GBP~~ and (iii) ~~OIS is not restricted~~. The maximum period length for long Stub Periods is one year and one month for floating rate payments under IRS in EUR or GBP. For floating rate payments under IRS in CHF, USD, DKK, NOK, PLN and JPY, the maximum length for long Stub Periods is seven months and for floating rate payments under IRS in SEK the maximum length for long Stub Periods is six months.

- (c) For IRS floating payments, the floating rates for Stub Periods must be specified in the ~~trade record~~ Trade Record submitted via the ~~Approved Trade Source System~~ ATS as follows:

[...]

[...]

(10) Fixed rate and floating rate spread schedules

IRS (but not ZCIS, OIS or FRA) may have a fixed rate and a floating rate spread schedule, i.e. a fixed rate or floating rate spread may vary across the calculation periods relative to their value in the relevant preceding calculation period provided that any such change to the fixed rate or the floating rate spread may only occur at the start of the relevant calculation period and must be pre-determined and specified in the ~~trade record~~ Trade Record submitted via the ~~Approved Trade Source System~~ ATS. Fixed rate or floating rate spread schedules are not eligible for zero coupon payments or payments made on a compounding basis;

(11) Calculation periods

The calculation period(s) for payment(s) of floating amounts under the relevant OTC Interest Rate Derivative Transaction (other than OIS or an OTC Interest Rate Derivative Transaction in CHF, USD or JPY) must be one month, three months, six months or twelve months and the calculation period(s) for payment(s) of floating amounts under an OTC Interest Rate Derivative Transaction in CHF, USD or JPY must be one month, three months or six months (in all cases except for Stub Periods, zero coupon payments and payments on a compounding basis). For SEK three months, for DKK, NOK or PLN six months are supported. Where the relevant OTC Interest Rate Derivative Transaction is an OIS, floating amounts must be payable monthly, quarterly, semi-annually, annually or at maturity (except for Stub Periods). For ZCIS, only zero coupon payments are supported.

If a payment date for a fixed or floating rate payment is adjusted in accordance with any applicable business day convention, the numbers of days in the relevant calculation period may either be adjusted to the new payment date or remain unadjusted, which is to be specified in the ~~trade record~~ Trade Record submitted via the ~~Approved Trade Source System~~ ATS.

Except for ZCIS and FRA the start and end dates can be different for each swap leg.

(12) Notional amount

The minimum notional amount must be (i) 0.01 for EUR, USD, GBP, DKK, SEK, NOK, PLN or CHF or (ii) 1.00 for JPY.

Except for ZCIS and FRA the notional amounts can be different for each swap leg and may vary across the calculation periods relative to their value in the relevant preceding calculation period. The changes in notional can only take place at the start

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of the calculation periods and must be pre-determined and specified in the ~~trade record~~ Trade Record submitted via the ~~Approved Trade Source System~~ ATS. Changes in the notional amount across calculation periods may not be specified for ZCIS, OIS nor for IRS with swap legs under which amounts are payable on a compounding basis or in the form of a zero coupon payment:

The terms of the OTC Interest Rate Derivative Transaction must not provide for an exchange of notional amounts.

(13) Day count conventions

The day count convention(s) applicable to the OTC Interest Rate Derivative Transaction (excluding ZCIS) must be one of the following (based on the 2006 ISDA Definitions or the 2000 ISDA Definitions, as specified in the ~~trade record~~ Trade Record transmitted via the ~~Approved Trade Source System~~ ATS): 30/360, 30E/360, 30E/360 (ISDA), Act/360, Act/Act (ISDA), Act/365 (ISDA), Act/Act (ICMA), Act/Act (ISMA) or Act/365 (Fixed).

The day count convention applicable to ZCIS must be 1/1.

[...]

(17) Compounding

The floating leg (incl. spread) of an IRS can be subject to **Compounding** (also referred to as "**straight compounding**" if **Flat Compounding** is not specified as applicable) or **Flat Compounding**, each as defined in Number 2.2.4 below. Only standard monthly, quarterly, semi-annual and, in case of EUR and GBP only, annual floating rate indices can be referenced for payments made on a "**straight**" Compounding or Flat Compounding basis, i.e. no Stub Periods may be specified for such OTC Interest Derivative Transactions;

For the fixed leg, neither "**straight**" Compounding nor Flat Compounding may be selected in the ~~Approved Trade Source System~~ ATS. However, a fixed rate can be specified under the zero coupon option which would result in one fixed payment at swap maturity for the fixed leg only applying the provided fixed rate subject to the applicable terms of calculation such as business day conventions and day count fractions. Alternatively, a lump sum can be entered manually that would be paid unadjusted on the last payment date of the relevant zero coupon swap.

For zero coupon swaps the first Reset Date of the floating leg(s) should not be prior to 01.January 2005.

[...]

#### 2.1.4.2 Documentation of Original OTC Transactions

- (1) In the ~~trade record~~ Trade Record submitted via an ~~Approved Trade Source System~~, one of the following master agreements may be specified as the contractual basis of

an Original OTC Transaction: (i) the 1992 or 2002 ISDA Master Agreement, (ii) the German Master Agreement for Financial Derivatives Transactions (*Rahmenvertrag für Finanztermingeschäfte*, the “**DRV**”) or (iii) the AFB/FBF Master Agreement.

- (2) Irrespective of the documentation of the Original OTC Transaction, the “**Terms for ISDA Interest Rate Derivative Transactions**” set out in Number 2.3 below shall apply to all CCP Transactions and CM-RC Transactions (the “**ISDA Interest Rate Derivative Transactions**”) that are OTC Interest Rate Derivative Transactions which are based on Original OTC Transactions submitted via the ~~Approved Trade Source System~~ ATS as having been entered into under the ISDA Master Agreement or the AFB/FBF Master Agreement. The “**Terms for DRV Interest Rate Derivative Transactions**” set out in Number 2.4 below shall apply to all CCP Transactions and CM-RC Transactions (the “**DRV Interest Rate Derivative Transactions**”) that are OTC Interest Rate Derivative Transactions which are based on Original OTC Transactions submitted via the ~~Approved Trade Source System~~ ATS as having been entered into under the DRV and which, accordingly, are designated as “**DRV-based**” in the applicable OTC Trade Novation Report.

[...]

#### 2.1.4.3 Daily Novation Process

- (1) The novation and clearing process will be carried out on each Business Day (“**Daily Novation**”) for each Original OTC Transaction which has been submitted to Eurex Clearing AG via an ~~Approved Trade Source System~~ ATS and which fulfils the applicable novation criteria. The novation process will be performed pursuant to the following paragraphs.
- (2) Original OTC Transactions that are to be included in the Clearing by way of Daily Novation may be submitted to Eurex Clearing AG at any point in time. On each Business Day between 8:00 am CET and 9:22:59 pm CET (Frankfurt am Main time) CET, Eurex Clearing AG processes and accepts or rejects Original OTC Transactions submitted to it for Clearing as quickly as technologically practicable, using automated systems. Original OTC Transactions which are submitted to Eurex Clearing AG at any other time will be processed and accepted or rejected at the beginning of the next Business Day. ~~fulfil all novation criteria at or prior to 22:00 CET on a Business Day will be included in the Daily Novation on such Business Day. However, Original OTC Transactions submitted to Eurex Clearing AG at 10:00 pm (Frankfurt am Main time) may be processed and accepted or rejected that or the following Business Day.~~
- (3) As a result of the novation process, all Original OTC Transactions which fulfil all novation criteria will be accepted for Clearing and all Original OTC Transactions which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets in time according to Part 1 Number 1.2.3 Paragraph (1) Clause 9, will be rejected.



- (4) If an Original OTC Transaction has been accepted for Clearing, a An OTC Trade Novation Report will be made available to the relevant Clearing Member (in respect of an OTC IRS FCM Client Transaction, to the relevant OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) or to the relevant Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system. The last OTC Trade Novation Report will be made available at or around 23:00 CET. Such last OTC Trade Novation Report summarizes all Novations of the respective Business Day.
- ~~(35) Original OTC Transactions which, on the day of submission, fulfil all novation criteria except the provision of the required margin to Eurex Clearing AG will be included in the Daily Novation on the next Business Day, and the relevant Original OTC Transactions will be novated on such next Business Day if all of the novation criteria are fulfilled by not later than 22:00 CET on such Business Day. Upon rejection of an Original OTC Transaction for Clearing, Eurex Clearing AG will inform the respective Clearing Member of such non-acceptance as quickly as technologically practicable.~~
- (64) A Clearing Member, a Registered Customer, an OTC IRS FCM Client or a Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) may subsequently cancel the submission with respect to:
- ~~(a) any Original OTC Transactions submitted to Eurex Clearing AG via an Approved Trade Source System and intended to be novated within the Daily Novation if the relevant Original OTC Transactions have not been novated; and/or~~
- (b) any CCP Transaction intended to be transferred pursuant to Number 2.6, or to be terminated pursuant to 2.7,
- [...]

#### 2.1.4.4 Scheduled Intraday Margin Calls

- (1) If Eurex Clearing AG determines that the aggregate value of the Eligible Margin Assets actually delivered to Eurex Clearing AG is insufficient to provide the cover required in order to fulfil the margin requirement (as set forth in Number 2.1.6) also taking into account ~~all Original OTC Transactions which are to be novated in the course of the Daily Novation as well as~~ all CCP Transactions pursuant to Numbers 2.6, 2.7 and Number 2.8. (any such shortfall the **"Shortfall Margin Requirement"**), Eurex Clearing AG will require from the Clearing Member (in the case of CCP-OTC IRS FCM Client Transactions, from the relevant OTC IRS FCM Clearing Member acting for the account of the relevant OTC IRS FCM Client) or from the Basic Clearing Member intra-day to provide additional Eligible Margin Assets in an amount up to the Shortfall Margin Requirement in accordance with the following provisions.
- (2) The Transactions resulting from the ~~novation of the Original OTC Transactions as well as the~~ CCP Transactions pursuant to Numbers 2.6, 2.7 and Number 2.8 to be covered by, as well as the amount of, the Shortfall Margin Requirement shall be

notified by Eurex Clearing AG in a Preliminary OTC Margin Call Report and an OTC Margin Call Report.

A “**Preliminary OTC Margin Call Report**” means a preliminary report produced by Eurex Clearing AG and made available at 12:00 ~~noon~~ noon ~~CET~~, 14:00 pm ~~CET~~ and 16:00 pm ~~CET~~ (each Frankfurt am Main time) that specifies (i) ~~the Original OTC Transactions to be novated into OTC Interest Rate Derivative Transactions as well as~~ (ii) the respective CCP Transactions pursuant to Numbers 2.6, 2.7 and 2.8, to which the Shortfall Margin Requirement applies and the amount of the Shortfall Margin Requirement calculated by Eurex Clearing AG as per the time when the relevant Preliminary OTC Margin Call Report is made available (the “**Preliminary Shortfall Margin Amount**”).

An “**OTC Margin Call Report**” means a report produced by Eurex Clearing AG and made available at 13:00 pm ~~CET~~, 15:00 pm ~~CET~~, 17:00 pm ~~CET~~, and 19:30 pm ~~CET~~ (each Frankfurt am Main time) that specifies (i) ~~the Original OTC Transactions to be novated into OTC Interest Rate Derivative Transactions as well as~~ (ii) the respective CCP Transactions, to which the Shortfall Margin Requirement applies as well as the Final Shortfall Margin Amount.

[...]

[...]

- (4) The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 13:00 pm ~~CET~~, 15:00 pm ~~CET~~ and 17:00 pm (each Frankfurt am Main time) ~~CET~~ shall constitute cover in respect of the Margin to which the margin requirement pursuant to Number 2.1.6 relates and accordingly will constitute (i) Elementary Proprietary Margin or Elementary Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) Net Omnibus Margin delivered by the Clearing Member pursuant to the Net Omnibus Clearing Model Provisions, (iv) OTC IRS FCM Client Margin delivered by the relevant OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (v) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions. The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 19:30 pm ~~CET~~ (Frankfurt am Main time) shall be treated accordingly and shall constitute cover either in respect of (i) the Elementary Proprietary Margin or Elementary Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) the Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) the Net Omnibus Margin delivered by the Clearing Member pursuant to the Net Omnibus Clearing Model Provisions, (iv) the OTC IRS FCM Client Margin delivered by the OTC IRS FCM Clearing Member for the account

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of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (v) the Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions .

[...]

#### 2.1.4.5 Bulk Backloading of Original OTC Transactions

- (1) An Original OTC Transaction that has a Trade Date which falls more than ten Business Days prior to the date of submission to Eurex Clearing will be considered as a backloaded trade ("**Bulk Backloaded Original OTC Transaction**").
- (2) The novation and clearing process for Bulk Backloaded Original OTC Transactions which have been submitted to Eurex Clearing AG via an ~~Approved Trade Source System~~ ATS will be carried out on each Business Day. The novation process will be performed pursuant to the following paragraphs.
- (3) Bulk Backloaded Original OTC Transactions that are to be included in the Clearing by way of novation may be submitted to Eurex Clearing AG at any point in time. Bulk Backloaded Original OTC Transactions which are submitted prior to 345:00 CET pm (Frankfurt am Main time) on a Business Day and which fulfil all applicable novation criteria will be included in the novation process on such Business Day.
- (4) The novation process for OTC Bulk Backloaded Original Transactions which are submitted beyond 435:00 pm CET (Frankfurt am Main time) on a Business Day will be carried out on the following next Business Day.
- (5) At 453:00 pm CET and 475:00 pm CET (each Frankfurt am Main time) on each Business Day Eurex Clearing AG will make available to the Clearing Member (in the case of an OTC IRS FCM Client Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) and Registered Customer or the Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) a preliminary report indicating the Bulk Backloading Original OTC Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 2.1.4.1, the Margin Requirement as well as any shortage in actually delivered eligible Margin Assets.
- (6) Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfil all novation criteria shall be novated on that Business Day. The novation will become effective when the respective OTC Trade Novation Report will be made available intraday at around 475:30 pm CET and at the end of a Business Day at or around 2311:00 pm CET (Frankfurt am Main time).
- (7) For Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfil all novation criteria except for the provision of the Eligible Margin Asset necessary to cover the margin requirement Eurex Clearing AG will debit the shortfall amount set forth in the OTC Margin Call Report produced and made available at 1022:30 CET pm (Frankfurt am Main time) in the agreed Clearing Currency from the

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relevant Clearing Member Cash Account, relevant OTC IRS U.S. Clearing Member Cash Account or Basic Clearing Member Cash Account, as relevant, in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1. Such payment made by direct debit shall constitute cover in respect of the Margin to which the margin requirement referred to in the foregoing sentence relates and accordingly will constitute (i) Elementary Proprietary Margin or Elementary Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) Net Omnibus Margin delivered by the Clearing Member pursuant to the Net Omnibus Clearing Model Provisions, (iv) OTC IRS FCM Client Margin delivered by the OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (v) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions. Eurex Clearing AG will make available an OTC Trade Novation Report on the Business Day following the day of submission at or around 9:30 ~~CET~~-am (Frankfurt am Main time) to the Clearing Member (in the case of an OTC IRS FCM Client Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) and the Registered Customer or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member).

- (8) A Clearing Member (in the case of an OTC IRS FCM Client Transaction, the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client), Registered Customer or a Basic Clearing Member (or a Clearing Agent acting on behalf of the Basic Clearing Member) may subsequently cancel the submission with respect to any Bulk Backloading Original OTC Transaction submitted to Eurex Clearing AG via an ~~Approved Trade Source System~~ATS and intended to be novated by the latest by ~~5:47:00 pm~~ 5:47:00 pm CET(Frankfurt am Main time) on a Business Day, provided that

[...]

[...]

**2.2.1** [...]

**2.2.2 References to Market Standard OTC Interest Rate Derivatives Documentation**

- (1) Notwithstanding any selection of the 2000 or 2006 ISDA Definitions in the data to be transmitted via the ~~Approved Trade Source System~~ATS and subject to Number 2.2.6 (Day Count Fractions) below, (a) the 2006 ISDA Definitions, as published by ISDA, shall apply to all CCP Transactions and CM-RC Transactions that are ISDA Interest Rate Derivative Transactions and (b) the 2000 or 2006 ISDA Definitions shall not apply to DRV Interest Rate Derivative Transactions except that (i) the definitions relating to compounding set forth in Section 6.3 of the 2006 ISDA Definitions, which are referenced in the last sub-paragraph of Number 2.2.4 Paragraph 1 below, and (ii) Section 8.3 of the 2006 ISDA Definitions relating to Linear Interpolation, which is

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referenced in Number 2.2.4 Paragraph 4 below shall also apply to DRV Interest Rate Derivative Transactions.

[...]

[...]

#### 2.2.4 Rates for calculating the Floating Amount

- (1) The applicable Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) applied by Eurex Clearing AG in calculating Floating Amounts will be set out in the OTC Trade Novation Report on the basis of the floating rate index specified in the ~~trade record~~ Trade Record transmitted to Eurex Clearing AG via the ~~Approved Trade Source System~~ ATS whereby:

[...]

- (2) “**Reset Date**” means, for an OTC Interest Rate Derivative Transaction or a party, each day specified as such in the OTC Trade Novation Report for the OTC Interest Rate Derivative Transaction or that party, subject to adjustment in accordance with the applicable business day convention specified in the OTC Trade Novation Report, in each case on the basis of the data relating to reset dates as transmitted to Eurex Clearing AG via the ~~Approved Trade Source System~~ ATS. If an adjustment in accordance with that business day convention would cause a Reset Date to fall on the Payment Date in respect of the Calculation Period to which that Reset Date relates, the Reset Date shall be the first Business Day preceding the date on which the Reset Date would have fallen without any adjustment.
- (3) “**Designated Maturity**” means, in respect of an OTC Interest Rate Derivative Transaction or a party, the period of time specified as index tenor in the OTC Trade Novation Report on the basis of the index tenor data transmitted to Eurex Clearing AG via the ~~Approved Trade Source System~~ ATS.

[...]

#### 2.2.5 Day Count Conventions

The following day count fraction conventions may be specified in the OTC Trade Novation Report based on the ~~trade record~~ Trade Record transmitted via the ~~Approved Trade Source System~~ ATS for determining the applicable day count fraction:

- (1) 30/360, which shall have the meaning given to “**30/360**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (e) below.
- (2) 30E\*/360, which shall have the meaning given to “**30E/360**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (e) below.

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- (3) 30E/360, which shall have the meaning given to “**30E/360 (ISDA)**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (e) below and which will be specified in the OTC Trade Novation Report if, in the ~~trade record~~Trade Record transmitted via the ~~Approved Trade Source System~~ATS, “**30E/360**” and “**2000 ISDA**” or “**30E/360.ISDA**” and “**2006 ISDA**” are selected.
- (4) Act/360, which shall have the meaning given to “**Act/360**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (a) below.
- (5) Act/365, which shall have the meaning given to “**Act/365 (Fixed)**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (b) below.
- (6) Act/365I, which shall have the meaning given to “**Act/Act (ISDA)**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (c) below and which, for the avoidance of doubt, will also be specified in the OTC Trade Novation Report if in the ~~trade record~~Trade Record transmitted via the ~~Approved Trade Source System~~ATS “**Act/365.ISDA**” and “**2000 ISDA**” are selected.
- (7) ActB/ActB, which shall have the meaning given to “**Act/Act (ICMA)**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (d) below and which, for the avoidance of doubt, will also be specified in the OTC Trade Novation Report if in the ~~trade record~~Trade Record transmitted via the ~~Approved Trade Source System~~ATS “**Act/Act.ISMA**” and “**2000 ISDA**” are selected.

[...]

[...]

### 2.3 Terms for ISDA Interest Rate Derivative Transactions

The product-related terms set out below and the expressions defined in the 2006 ISDA Definitions are specified in the relevant OTC Trade Novation Report on the basis of the ~~trade record~~Trade Record transmitted via the ~~Approved Trade Source System~~ATS.

[...]

### 2.4 Terms for DRV Interest Rate Derivative Transactions

The product-related terms for DRV Interest Rates Derivative Transactions set out below are specified in the relevant OTC Trade Novation Report on the basis of the ~~trade record~~Trade Record transmitted via the ~~Approved Trade Source System~~ATS.

[...]

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[...]

## 2.6 Trade Netting and Accumulation

[...]

- (4) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the netting or accumulation instructions were given by the relevant Registered Customer, OTC IRS FCM Client or other customer to the Clearing Member and whether a netting or accumulation of Client-Clearing-CM-RC-Transactions or CM-Customer Transactions is contractually possible or valid.

### 2.6.1 Inclusion of CCP Transactions in the Netting and Accumulation Process

[...]

- (3) CCP Transaction will be netted and/or accumulated if the CCP Transactions have been designated for netting and/or accumulation, as the case may be, by the respective Clearing Member (including an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client) or by the respective Basic Clearing Member (or Clearing Agent acting on behalf of the relevant Basic Clearing Member) in the system of Eurex Clearing AG ("**Optional Netting**"). Such designation shall be submitted no later than by 1022:00 pm CET (Frankfurt am Main time) on the relevant Business Day.

[...]

### 2.6.2 Netting and Accumulation Procedure

- (1) The CCP Transactions selected for netting shall be netted with each other to the maximum extent possible on each netting level (and provided that CCP-OTC IRS FCM Client Transactions may only be netted with CCP-OTC IRS FCM Client Transactions that form part of the same OTC IRS FCM Client Standard Agreement). Upon closing of the netting, all CCP Transactions that were netted are cancelled.

The remaining CCP Transactions for which there is no counterposition with which they can be netted may be accumulated and novated to one or more CCP Transaction(s) of the same Product Type with the aggregate notional amount of the accumulated CCP Transactions (and provided that CCP-OTC IRS FCM Client Transactions may only be accumulated with CCP- OTC IRS FCM Client Transactions that form part of the same OTC IRS FCM Client Standard Agreement). The CCP Transactions that were accumulated shall be cancelled.

- (2) The CCP Transactions to be accumulated shall be novated to one or more CCP Transaction(s) of the same Product Type with the aggregate notional amount of the accumulated CCP Transactions. The CCP Transactions that were accumulated shall be cancelled.

(3) If the CCP Transactions subject to netting or accumulation are all ISDA Interest Rate Derivative Transactions only, the remaining CCP Transactions for which there is no counterposition with which they can be netted will be novated to ISDA Interest Rate Derivative Transactions.

If the CCP Transactions subject to netting or accumulation are all DRV Interest Rate Derivative Transactions only, the remaining CCP Transactions for which there is no counterposition with which they can be netted will be novated to DRV Interest Rate Derivative Transactions.

If the CCP Transactions subject to netting or accumulation are both ISDA Interest Rate Derivative Transactions and DRV Interest Rate Derivative Transactions, the remaining CCP Transactions for which there is no counterposition with which they can be netted will be novated to ISDA Interest Rate Derivative Transactions, provided that if in the case of Netting Level 1 and 2 and netting of one ISDA Interest Rate Derivative Transaction with one DRV Interest Rate Derivative Transaction the DRV Interest Rate Derivative Transaction has a higher notional amount such remaining CCP transactions will be novated to a DRV Interest Rate Derivative Transaction.

“**Netting Levels**” are rule sets to be selected by each Clearing Member or Registered Customer for each Own Account or Customer Account, respectively, defining to which degree Trade Criteria must match, where a higher level improves the netting efficiency by requiring a lower degree of matching Trade Criteria.

(34) The netting or, if applicable, the accumulation of the CCP Transactions will become effective when the OTC Trade Daily Summary Report, in which such event is included, is made available to the Clearing Members and Basic Clearing Members (or Clearing Agent acting on behalf of the relevant Basic Clearing Member).

(4) ~~“OTC Trade Daily Summary Report” means a report that lists events occurring after the original novation which will be made available to the Clearing Members or Basic Clearing Members holding an Interest Rate Derivatives Clearing License (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) electronically via Eurex Clearing AG’s system on each Business Day. The last OTC Trade Daily Summary Report will be made available at or around 23:00 CET.~~

[...]

\*\*\*\*\*