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Eurex Clearing

Money Market Derivatives: Withdrawal of admission of EONIA-Futures (FEO1) and Three-Month SARON® Futures (FSO3); MSCI Derivatives: Extension of fee reduction; Further amendments to the Clearing Conditions of Eurex Clearing AG

Eurex Clearing Circular 105/21 Money Market Derivatives: Withdrawal of admission of EONIA-Futures (FEO1) and Three-Month SARON® Futures (FSO3); MSCI Derivatives: Extension of fee reduction; Further amendments to the Clearing Conditions of Eurex Clearing AG

1. Introduction

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

- ◆ A. Discontinuation of clearing services for EONIA Futures (FEO1) and Three-Month SARON® Futures (FSO3)
- ◆ B. Extension of fee reduction for MSCI Index Futures
- ◆ C. Harmonization of the contractual penalties in case of a non-delivery under Fixed Income Futures Contracts

The amendments for topic A. will come into effect on **20 December 2021**.

The amendments for topic B. will come into effect on **1 January 2022**.

The amendments for topic C. will come into effect on **10 January 2022**.

Please refer to Eurex circulars 110/21 (topic A.) and 108/21 (topic B.) for detailed trading-related information as well as the amendments of the relevant Rules and Regulations of Eurex Deutschland.

2. Required action

There is no required action for the participants.

3. Details of the initiative

A. Discontinuation of clearing services for EONIA Futures (FEO1) and Three-Month SARON® Futures (FSO3)

Trading of EONIA Futures (product code: FEO1) was halted effective 20 September 2021, given that the EONIA rate will no longer be distributed after December 2021. Eurex Clearing therefore will discontinue the clearing services for these EONIA Futures (FEO1).

Further, in order to align with new benchmark risk-free rates market convention, a new SARON® Futures contract (product code: FSR3) was introduced at Eurex Exchange on 27 September 2021 with a new naming convention to match the contract name to the start of the contract period (see Eurex Clearing Circular 076/21). Correspondingly, trading of the old Three-Month SARON® Futures (FSO3) was halted effective 15 September 2021. Eurex Clearing will discontinue the clearing services for Three-Month SARON® Futures (FSO3) with effective date 20 December 2021. For the avoidance of doubt, trading and clearing of the newly introduced SARON® Futures (FSR3) will continue.

In this context, the following provisions will be amended as outlined in the attachments:

- ◆ Chapter II Part 2 Numbers 2.1.2, 2.2.2 and 2.23.2 of the Clearing Conditions (Attachment 1),
- ◆ Numbers 3.1, 3.3 and 3.4 of the Price List (Attachment 3).

The amendments with regards to Topic A. will become effective on 20 December 2021.

B. Extension of fee reduction for MSCI Index Futures

According to Eurex Clearing circular 118/20, Eurex Clearing AG offers currently reduced transaction fees for selected MSCI Futures. This temporary reduction is valid until 31 December 2021 and should be extended in modified form as of **1 January 2022 until 31 December 2022**.

Futures on	Eurex code	Index type	Currency	Order book transaction fee	TES and Eurex EnLight transaction fee
MSCI EAFE	FMFP	Price	USD	0.30 USD	0.45 USD
MSCI EAFE	FMFA	NTR	USD		
MSCI Emerging Markets	FMEM	NTR	USD		
MSCI Emerging Markets	FMEF	Price	USD		
MSCI China Free	FMCN	NTR	USD		
MSCI China	FMCH	NTR	USD		
MSCI India	FMIN	NTR	USD		
MSCI Indonesia	FMID	NTR	USD		
MSCI Malaysia	FMMY	NTR	USD		
MSCI Philippines	FMPH	NTR	USD		
MSCI Taiwan	FMTW	NTR	USD		
MSCI Thailand	FMTH	NTR	USD		

C. Harmonization of the contractual penalties in case of a non-delivery under Fixed Income Futures Contracts

Eurex Clearing intends to harmonize the contractual penalties in case of a non-delivery under Fixed Income Futures Contracts as of 10 January 2022.

In this context, the following provisions will be amended as outlined in Attachment 2:

- ◆ Chapter II Part 2 Number 2.3.5 of the Clearing Conditions

The amendments with regards to Topic C. will become effective on 10 January 2022.

Publication of amendments to the legal framework of Eurex Clearing

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

[Clear > Rules & Regs > Rules and Regulations](#)

The changes and 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 ten (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.

Further information

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

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

Related circulars: Eurex Clearing Circulars **118/20, 076/21**; Eurex Circulars **108/21, 110/21**

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Further information

- Attachment 1 to Eurex Clearing circular 105/21
- Attachment 2 to Eurex Clearing circular 105/21
- Attachment 3 to Eurex Clearing circular 105/21

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Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 20.12.2021

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)
[...]	
Index Dividend Futures Contracts	17:30
Money Market Futures Contracts: FEQ1 , FEU3, and FSR3 FLIC	17:15 18:00
[...]	

[...]

[...]

2.2 Clearing of Money Market Futures Contracts

[...]

[...]

2.2.2 Final Settlement Price

[...]

[...]

- (3) With respect to EONIA Futures Contracts, the final settlement price will be determined by Eurex Clearing AG in EUR on at the final settlement day of a contract (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 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 by the following formula.

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

— 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 ECB and published (through any such publication channel that Eurex Clearing AG deems appropriate) by EMMI for such Observation Day.

i — is a series of whole numbers from one (1) to M, each representing the relevant Observation Days in chronological order from, and including, the first Observation Day in the relevant Accrual Period.

M — is the number of Observation Days in the Accrual Period.

N — is the number of calendar days in the Accrual Period.

— *Observation Days* is each day for which the EONIA interest rate is calculated by the ECB and published by the 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 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 ECB does not calculate a EONIA interest rate, the EONIA interest rate calculated by the ECB for the previous day, will form the basis of the calculation.~~

- (4) With respect to the EUR Secured Funding Rate Futures 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 (63) of the Eurex Contract Specifications) 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.

[...]

- (54) 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 result of the calculation between the respective outer pair of square brackets in the respective formula as 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).

[...]

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 10.01.2022

AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED,
DELETIONS ARE CROSSED OUT.

[...]

Part 2 Clearing of Futures Contracts

[...]

2.3 Clearing of Fixed Income Futures Contracts

[...]

2.3.5 Failure to Deliver

[...]

(4) In case of a failure to deliver bonds, the event that Clearing Member shall pay a contractual penalty in accordance with the following provisions:

(a) If a Clearing Member fails to deliver bonds of the Federal Republic of Germany to be delivered by it on the delivery day until 14:15 CE(S)T, but is able to deliver such bonds until the respective End-of-Settlement time (as published by Eurex Clearing AG on the Eurex Clearing Website) (“Settlement Cut-Off Time”), such Clearing Member shall pay to Eurex Clearing AG a contractual penalty in the amount of 0.04 per cent of the nominal value of the non-delivered bonds.

— ~~In the event that~~

(b) If a Clearing Member fails to deliver bonds of the Federal Republic of Germany to be delivered by it on the delivery day until the respective Settlement Cut-Off Time or other bonds during the delivery times determined for the delivery day (as published by Eurex Clearing AG on the Eurex Clearing Website), such Clearing Member shall pay to Eurex Clearing AG a contractual penalty for the period from the delivery day (whereby the delivery day will be taken into account for the calculation) to the earlier of (a) the date of actual delivery or (b) the date of a replacement purchase (whereby such earlier date will not be taken into account for the calculation) in the following amount:

■ ~~For Euro-fixed Futures Contracts:~~

Such contractual penalty shall be the sum of the Penalty Amount and the Interest of Delay.

“Penalty Amount” shall amount to 0.40 per cent of the nominal value of the non-delivered bonds per Business Day; and

■ ~~for CONF Futures Contracts: 0.85 per cent of the nominal value of the non-delivered bonds per Business Day; — in each case plus~~

“Interest of Delay” shall mean an amount per each calendar day, on which no delivery of the bonds has occurred, calculated according to as a percentage of the counter value of the non-delivered bonds notified for delivery, such,

Such percentage having been fixed and notified in advance shall be determined by Eurex Clearing AG. Such percentage in advance and shall be based ■ — for on (I) in case of Euro-fixed Futures Contracts —, the effective rate for the marginal lending facility of the European Central Bank plus 100 basis points; and ■ — for (II) in case of CONF Futures Contracts —, the effective rate for the liquidity-shortage financing facility of the Swiss National Bank plus 100 basis points. The relevant afore-mentioned interest rates are published on the websites of the European Central Bank and the Swiss National Bank respectively.

(c) Eurex Clearing AG will pay any Interest Of Delay it has received from the Clearing Member, which failed to deliver the bonds, to the Clearing Member, which is entitled to receive the bonds.

(d) For the avoidance of doubt, the provisions of this Number 2.3.5 Paragraph (4) shall apply in addition to Chapter I Part 1 Number 14.2.

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

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

[...]

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						
EUR Secured Funding Futures	EUR	Order book	A	0,40	n. a.	n. a.
			P	0,20	n. a.	n. a.
			M	0,20	n. a.	n. a.
		Eurex EnLight	A	0,60	n. a.	n. a.
			P	0,30	n. a.	n. a.
			M	0,30	n. a.	n. a.
		TES	A	0,60	n. a.	n. a.
			P	0,30	n. a.	n. a.
			M	0,30	n. a.	n. a.
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.
[...]						
	EUR	Order book	A	0,04	n. a.	n. a.

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)
Three-Month EURIBOR Futures – Strategies (5-Year Bundle)			P	0,04	n. a.	n. a.
			M	0,04	n. a.	n. a.
EONIA Futures	EUR	Order-book	A	0,40	n. a.	n. a.
			P	0,20	n. a.	n. a.
			M	0,20	n. a.	n. a.
		Eurex EnLight	A	0,60	n. a.	n. a.
			P	0,30	n. a.	n. a.
			M	0,30	n. a.	n. a.
		TES	A	0,60	n. a.	n. a.
			P	0,30	n. a.	n. a.
			M	0,30	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
[...]		
Interest Rate Derivatives		
[...]		
Three-Month EURIBOR Futures (incl. Strategies)	A	EUR 0.40
	P	
	M	
Three-Month SARON® Futures	A	CHF 1.00
	P	CHF 0.80
	M	CHF 0.80
3M SARON® Futures	A	CHF 1.00
	P	CHF 0.80
	M	CHF 0.80
EONIA Futures	A	EUR 0.80
	P	EUR 0.40
	M	EUR 0.40
[...]		

[...]

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			
[...]			
Three-Month EURIBOR Futures (incl. Strategies)	A	EUR 0.20	n. a.
	P		
	M		
Three-Month SARON[®] Futures	A	CHF 0.50	n. a.
	P	CHF 0.40	n. a.
	M	CHF 0.40	n. a.
3M SARON [®] Futures	A	CHF 0.50	n. a.
	P	CHF 0.40	n. a.
	M	CHF 0.40	n. a.
EONIA Futures	A	EUR 0.40	n. a.
	P	EUR 0.20	n. a.
	M	EUR 0.20	n. a.
[...]			

[...]

[...]
