

Eurex Clearing Circular 112/18

Amendments to the Clearing Conditions of Eurex Clearing AG

Summary

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) regarding the following topic:

- Amendments to the Clearing Conditions to reflect the treatment of variation margin as settlement payment for transactions concluded at Eurex Deutschland

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

The amendments to the Clearing Conditions will come into effect on **28 January 2019**.

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

Attachments:

- Amended sections of the Clearing Conditions of Eurex Clearing AG

Date: 21 December 2018

Recipients:

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

Authorized by:

Heike Eckert

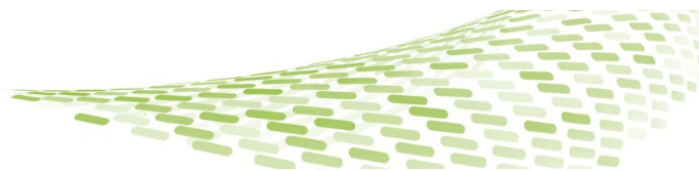
Target group:

- All departments

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Amendments to the Clearing Conditions of Eurex Clearing AG

The Clearing Conditions will be amended to clarify that all variation margin payments associated with futures and options transactions concluded at Eurex Deutschland constitute settlement payments (as opposed to a collateralisation of open contracts). For this purpose, “STM Variation Margin“ will be introduced as a new term and any payments of such margin will be considered as a partial fulfilment of the respective derivatives transactions. Consequently, no Redelivery Claim will arise in respect of STM Variation Margin payments.

The following provisions of the Clearing Conditions will be amended as outlined in the attachments (Attachment 1: amendments to Chapter I, Attachment 2: amendments to Chapter II) to reflect the changes:

- Chapter I
 - Part 1 Number 3.2.1
 - Part 2 Subpart A Numbers 5.1, 5.4
 - Part 3 Subpart A Numbers 6.1, 6.2, 6.3
 - Part 4 Numbers 7.1.2, 7.4
- Chapter II
 - Part 1 Number 1.2
 - Part 2 Numbers 2.1.2, 2.8.4, 2.8.8, 2.12.4, 2.12.8, 2.22.4
 - Part 3 Numbers 3.2.3, 3.3.3, 3.13.3

The amendments mentioned above will become effective on **28 January 2019**. As of the effective date, the full version of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com 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, 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, is 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) shall remain unaffected.

If you have any questions or need further information please contact Clearing Operations at tel. +49-69-211-1 12 50 or e-mail: clearing@eurexclearing.com, or Risk Control, tel. +49-69-211-1 24 52 or e-mail: risk@eurexclearing.com.

21 December 2018

Attachment 1 to Eurex Clearing circular 112/18

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 28.01.2019

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|--|------------------|
| Attachment 1 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 2 |
| Chapter I | |

AMENDMENTS ARE MARKED AS FOLLOWS:

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Please note: This blackline version is based on the Clearing Conditions of Eurex Clearing AG as of 28 December 2018 and it does not take into account other amendments to the Clearing Conditions which will enter into force on 28 January 2019.

Part 1 General Clearing Provisions

[...]

3.2 Eligible Margin Assets and Valuation

3.2.1 Eligible assets to be provided as cover (i) in respect of Margin are such currency amounts and such Securities, as are accepted to Eurex Clearing AG from time to time in its reasonable discretion and (ii) in respect of Variation Margin and STM Variation Margin such currency amounts specified in the Special Clearing Provisions (the “**Eligible Margin Assets**”). Eurex Clearing AG will publish the relevant applicable list of Eligible Margin Assets in accordance with Number 16.1 (ii).

[...]

Part 2 Subpart A: General Elementary Clearing Model Provisions

[...]

5 Variation Margin

5.1 Variation Margin Requirement

Each of Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for ECM Transactions (“**Variation Margin**”). Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Variation Margin.

Eurex Clearing AG will calculate net variation margin requirements separately with respect to

| | |
|--|------------------|
| Attachment 1 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 3 |
| Chapter I | |

- (a) the relevant Internal Proprietary Cash Account for all Own Transactions (other than STM Transactions (as defined in Chapter VIII Part 1 Number 1.2.1)) of a Clearing Member (to be provided in accordance with Subpart B Number 6) and
- (b) each relevant Internal Omnibus Cash Account reflecting the sum of the calculations with respect to all Client Transaction Accounts of such Clearing Member in accordance with Subpart C Number 7 that relate to such Internal Omnibus Cash Account,

and in each case in accordance with ~~Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or~~ Chapter VIII Part 2 Number 2.1.7, Part 3 Number 3.1.7 or Part 4 Number 4.1.7, as applicable.

The aggregate net amount of Eligible Margin Assets in the form of cash to be delivered as cover in respect of Variation Margin shall, in each case of (a) and (b), be a **“Variation Margin Requirement”**. The party obliged to provide Variation Margin shall be the **“Variation Margin Provider”** and the party entitled to request Variation Margin shall be the **“Variation Margin Taker”**.

[...]

5.4 Redelivery of Variation Margin

Subject to the occurrence of a Termination Date or an Insolvency Event or Failure to Pay Event, any Redelivery Claim with respect to Variation Margin (i) shall become due on any Business Day, if and to the extent that, on such Business Day, a profit amount has been determined in respect of the Proprietary Standard Agreement or with respect to the Client Transaction Accounts relating to the relevant Internal Omnibus Cash Account (as applicable) for the benefit of such Variation Margin Provider in accordance with ~~Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or~~ Chapter VIII Part 2 Number 2.1.7, Part 3 Number 3.1.7 or Part 4 Number 4.1.7, as applicable, (the relevant amount shall be the **“Redelivery Amount”**) and (ii) shall be decreased and discharged accordingly (subject to a minimum value of zero) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to the Variation Margin Provider by the Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Variation Margin Provider is higher than its relevant Redelivery Claim with respect to Variation Margin as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Variation Margin. In such case the roles of the Variation Margin Provider and Variation Margin Taker will be reversed.

[...]

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|--|------------------|
| Attachment 1 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 4 |
| Chapter I | |

Part 3 The Individual Clearing Model Provisions

[...]

Part 3 Subpart A: General Provisions for ICM-ECD and ICM-CCD

[...]

6 Segregated Variation Margin

6.1 General Obligation to provide Segregated Variation Margin

Each party to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for such Covered Transactions for which ~~Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and Chapter VIII Part 2 Number 2.1.7 Paragraph (3), Part 3 Number 3.1.6 or Part 4 Number 4.1.6, as applicable, apply in such amounts and at such times as are required pursuant to this Number 6. Any such cover provided or to be provided with respect to the relevant Standard Agreement is herein referred to as “Segregated Variation Margin”.~~

6.2 Segregated Variation Margin Requirement

Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Segregated Variation Margin. The party to the relevant Standard Agreement obliged to provide Segregated Variation Margin (the “**Segregated Variation Margin Provider**”), to the other party to such Standard Agreement (the “**Segregated Variation Margin Taker**”), and the amount of Eligible Margin Assets in form of cash to be delivered as cover in respect of Segregated Variation Margin (the “**Segregated Variation Margin Requirement**”) shall be determined in accordance with ~~Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and Chapter VIII Part 2 Number 2.1.7 Paragraph (3), Part 3 Number 3.1.6 or Part 4 Number 4.1.6, as applicable.~~

Numbers 5.2.2 and 5.2.3 apply *mutatis mutandis*.

6.3 Delivery of Segregated Variation Margin and Redelivery Claim

Segregated Variation Margin shall be delivered and/or returned on any Business Day in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

Eligible Margin Assets actually delivered in the form of cash in respect of the Segregated Variation Margin by the Segregated Variation Margin Provider will give rise to or increases a Redelivery Claim of such party against the Segregated Variation Margin Taker in accordance with Number 2.2.3. Any such Redelivery Claim (i) shall become due if and to the extent that on any subsequent Business Day a profit amount has been

| | |
|--|------------------|
| Attachment 1 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 5 |
| Chapter I | |

determined for the benefit of such Segregated Variation Margin Provider in accordance with ~~Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and~~ Chapter VIII Part 2 Number 2.1.7 Paragraph (3), Part 3 Number 3.1.6 or Part 4 Number 4.1.6, as applicable, (the applicable amount shall be the **"Redelivery Amount"**) and (ii) shall be decreased and fulfilled accordingly (subject to a minimum value of **"zero"**) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to it by the Segregated Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Segregated Variation Margin Provider is higher than its Redelivery Claim as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Segregated Variation Margin and the relevant party to the Standard Agreement being the Segregated Variation Margin Provider or the Segregated Variation Margin Taker shall change.

For the purpose of the Clearing Conditions, an actual delivery in respect of the Segregated Variation Margin resulting in a corresponding Redelivery Claims shall take place if upon conclusion of a Covered Transaction the terms and conditions of such Covered Transaction provide that due to a netting with an applicable initial consideration no actual payment in respect of the Segregated Variation Margin will occur.

[...]

Part 4 Individual Clearing Model Provisions for Specified Clients

[...]

7 Variation Margin

7.1 Variation Margin Requirement

7.1.1 Each of Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for ICM SC Transactions (**"Variation Margin"**). Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Variation Margin.

7.1.2 Eurex Clearing AG will calculate net variation margin requirements separately with respect to each relevant Internal ICM SC Cash Account, reflecting the sum of the calculations with respect to all ICM SC Transaction Accounts relating to an ICM Specified Client, in accordance with ~~Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or~~ Chapter VIII Part 2 Number 2.1.7 Paragraph (3), Chapter VIII Part 3 Number 3.1.6 or Chapter VIII Part 4 Number 4.1.6, as applicable.

The aggregate net amount of Eligible Margin Assets in the form of cash to be delivered as cover in respect of Variation Margin with respect to an Internal ICM SC Cash Account

| | |
|--|------------------|
| Attachment 1 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 6 |
| Chapter I | |

shall be a “**Variation Margin Requirement**”. The party obliged to provide Variation Margin shall be the “**Variation Margin Provider**” and the party entitled to request Variation Margin shall be the “**Variation Margin Taker**”.

[...]

7.4 Redelivery of Variation Margin

Subject to the occurrence of a Termination Date or an Insolvency Event or Failure to Pay Event, any Redelivery Claim with respect to Variation Margin (i) shall become due on any Business Day, if and to the extent that, on such Business Day, a profit amount has been determined in respect of the ICM SC Transaction Accounts relating to the relevant Internal ICM SC Cash Account (as applicable) for the benefit of such Variation Margin Provider in accordance with ~~Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or Chapter VIII Part 2 Number 2.1.7 Paragraph (3), Chapter VIII Part 3 Number 3.1.6 or Chapter VIII Part 4 Number 4.1.6, as applicable,~~ (the relevant amount shall be the “**Redelivery Amount**”) and (ii) shall be decreased and discharged accordingly (subject to a minimum value of zero) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to the Variation Margin Provider by the Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Variation Margin Provider is higher than its relevant Redelivery Claim with respect to Variation Margin as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Variation Margin. In such case the roles of the Variation Margin Provider and Variation Margin Taker will be reversed.

[...]

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 28.01.2019

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|--|------------------|
| Attachment 2 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 1 |
| Chapter II | |

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[...]

Part 1 General Provisions

[...]

1.2 Margin Requirement

- (1) With regard to the obligation to provide Margin, the following provisions apply in addition to the relevant provisions of Chapter I.
- (2) For the purposes of derivatives transactions covered by this Chapter II and to the extent not stated otherwise, the primary payment obligation in respect of daily profits and losses shall be settled-to-market variation margin (“**STM Variation Margin**”). Any payments of STM Variation Margin shall be considered as partial fulfilment of the respective derivatives transactions and shall not give rise to a corresponding Redelivery Claim. The provisions of Chapter I on the calculation of the net variation margin requirement of Variation Margin and on the delivery of Variation Margin shall apply accordingly.

~~(3)(2)~~

[...]

- ~~(5)(4)~~ With respect to options transactions without immediate premium payment obligations, settled-to-market variation margin (“**STM Variation Margin**”) in respect of the daily profits and losses as further set out in this Chapter II shall be ~~provided~~ paid by either party to the options transaction.

[...]

[...]

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|--|------------------|
| Attachment 2 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 2 |
| Chapter II | |

Part 2 Clearing of Futures Contracts

[...]

[...]

2.1.2 Daily Settlement Price

(1) For each futures contract, profits and losses arising out of open positions on any Business Day will be determined at the end of the Post-Trading Period on the basis of the daily settlement price determined pursuant to Paragraph (2). For open positions from the previous Business Day, the relevant profit or loss amount shall equal the difference between the daily settlement prices of the contract in question on the relevant Business Day and the previous Business Day. For transactions on the relevant Business Day, the relevant profit or loss amount shall equal the difference between the price at which the Transaction was concluded and the daily settlement price for such Business Day.

(a) The determined profit or loss amount on any Business Day shall be the ~~Variation Margin Requirement~~ STM Variation Margin (as defined in Part 1 Number 1.2 Paragraph (4)) or ~~Segregated Variation Margin Requirement~~, as applicable, and/or any Redelivery Amount, as the case may be (as defined in Chapter I Part 2 Subpart A Number 5.4, Chapter I Part 3 Subpart A Number 6.3 or Chapter I Part 4 Number 7.4, as applicable). Payment of the STM Variation Margin shall be made on any such Business Day. Eurex Clearing AG may discharge its payment obligations by way of set-off in accordance with Chapter I Part 1 Number 1.3.1 Paragraph (1) (a) and (f) and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa), (b) and (c).

(b) For the avoidance of doubt, in the case of the occurrence of a Termination with respect to the Clearing Member or a Failure to Pay Event or an Insolvency Event with respect to Eurex Clearing AG, the primary payment obligations set out in this Number 2.1.2 shall be taken into account when determining the Liquidation Price or CCP Exchange Price, respectively, of the relevant futures contract.

(c) With the entering into force of this amended Number 2.1.2, all existing futures contracts shall be amended as follows:

1. The Variation Margin Requirement and the Segregated Variation Margin Requirement are rededicated as STM Variation Margin and primary payment obligations of the Clearing Member or Eurex Clearing AG; and

2. Any Eligible Margin Assets actually delivered as Variation Margin by the relevant Variation Margin Provider with respect to existing derivatives transactions and with respect to which a Redelivery Claim exists shall be rededicated as amounts which were paid by the party that was the Variation Margin Provider to the party that was the Variation Margin Taker.

| | |
|--|------------------|
| Attachment 2 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 3 |
| Chapter II | |

Such rededication shall fulfill the outstanding exposure of the relevant futures contract as of the respective preceding Business Day. The respective Redelivery Claim of the relevant Variation Margin Provider shall expire.

- (2) Eurex Clearing AG determines the daily settlement price according to the true market conditions of the respective contract and under consideration of its risk assessment.

[...]

- (j) The daily settlement price for Variance Futures contracts shall be determined according to the specification in Number 1.20.7 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland.

[...]

$ARMVM_t$ = Accumulated Return on Modified STM Variation Margin, according to Section 1.20.7.2.2.2 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland.

[...]

2.8.4 Margin Requirements

- (1) The applicable Margin Type shall be the Initial Margin in accordance with the Eurex Clearing Prisma methodology.
- (2) The STM Variation Margin for CMFs shall reflect the Maturity Calibration. Its calculation therefore reflects the position opening conducted at the maturity calibrated price at the beginning of each Business Day.

[...]

2.8.8 Transaction Transfers and Position Transfers

If a transfer of a CMF fulfils the requirements outlined in Part 1 Number 1.3.3 and is carried out on one of the two Business Days following the Business Day on which the respective CMF was entered into, the STM Variation Margin for such CMF shall not reflect the Maturity Calibration which is taking place on one of the two Business Days following the Business Day on which the respective CMF was entered into.

- (1) In case the transfer of a CMF is carried out on the first Business Day following the Business Day on which the respective CMF was entered into, such difference in STM Variation Margin between the daily settlement price of the Business Day on which the respective CMF was entered into and the maturity calibrated price of the following Business Day shall not be transferred to the accepting Clearing Member.

| | |
|--|------------------|
| Attachment 2 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 4 |
| Chapter II | |

- (2) In case the transfer of CMFs is carried out on the second Business Day following the Business Day on which the respective CMF was entered into, such difference in STM Variation Margin between the daily settlement price of the Business Day on which the respective CMF was entered into and the maturity calibrated price of the second following Business Day plus the difference in STM Variation Margin between the daily settlement price of the following Business Day and the maturity calibrated price of the second following Business Day shall not be transferred to the accepting Clearing Member.

In cases of Number 2.8.8 Paragraphs (1) and (2) Clearing Members involved in such transfer shall settle any differences in STM Variation Margin bilaterally.

[...]

2.12.4 Margin Requirements

- (1) The applicable Margin Type shall be the Initial Margin in accordance with the Eurex Clearing Prisma methodology.
- (2) The STM Variation Margin for FX Rolling Spot Futures shall reflect the Swap Point Adjustment. Its calculation therefore reflects the position opening conducted at the re-opening price at 17:00 CET of each Business Day.

[...]

2.12.8 Transaction Transfers and Position Transfers

If a transfer of a FX Rolling Spot Future fulfils the requirements outlined in Part 1 Number 1.3.3 and is carried out on one of the two Business Days following the Business Day on which the respective FX Rolling Spot Future Contract was entered into, the STM Variation Margin for such FX Rolling Spot Future Contract shall not reflect the Daily Swap Point Adjustment which is taking place on one of the two Business Days following the Business Day on which the respective FX Rolling Spot Future Contract was entered into.

- (1) In case the transfer of a FX Rolling Spot Future is carried out on the first Business Day following the Business Day on which the respective FX Rolling Spot Future Contract was entered into, such difference in STM Variation Margin between the daily settlement price of the Business Day on which the respective FX Rolling Spot Future Contract was entered into and the re-opening price of the following Business Day shall not be transferred to the accepting Clearing Member.
- (2) In case the transfer of FX Rolling Spot Future is carried out on the second Business Day following the Business Day on which the respective FX Rolling Spot Future Contract was entered into, such difference in STM Variation Margin between the daily settlement price of the Business Day on which the respective FX Rolling Spot Future Contract was entered into and the re-opening price of the following Business Day plus the difference in STM Variation Margin between the daily settlement price

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|--|------------------|
| Attachment 2 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 5 |
| Chapter II | |

of the following Business Day and the re-opening price of the second following Business Day shall not be transferred to the accepting Clearing Member.

In cases of Number 2.12.8 Paragraphs 1 and 2 Clearing Members involved in such transfer shall settle any differences in STM Variation Margin bilaterally.

[...]

2.22.4 Margin Requirements

- (1) The applicable Margin Type for Index Total Return Futures Contracts shall be the Initial Margin in accordance with the Eurex Clearing Prisma methodology.
- (2) The STM Variation Margin for Index Total Return Futures Contracts shall reflect the changes between the daily settlement prices expressed in index points.

[...]

Part 3 Clearing of Options Contracts

[...]

3.2.3 Daily Settlement prior to Exercise

- (1) For each contract, profits and losses arising out of open positions on any Business Day will be determined at the end of the Post-Trading Period. For open positions from the previous Business Day, the amount to be debited or credited shall equal the difference between the daily settlement prices of the contract in question on the relevant Business Day and on the previous Business Day. For transactions on the relevant Business Day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price of the contract for such Business Day.

The profit or loss amount as determined on any Business Day shall be ~~the STM Variation Margin Requirement or Segregated Variation Margin Requirement, as applicable, and/or any Redelivery Amount, as the case may be (as defined in Chapter I Part 2 Subpart A Number 5, Chapter I Part 3 Subpart A Number 6 or Subpart B Number 5 or Chapter I Part 4 Number 7, as applicable).~~ Part 2 Number 2.1.2 Paragraph (1) shall apply *mutatis mutandis*.

| | |
|--|------------------|
| Attachment 2 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 6 |
| Chapter II | |

- (1) Paragraph (1) shall apply *mutatis mutandis* to the legal relationship between Clearing Members and their relevant Non-Clearing Members or Registered Customer, respectively.

[...]

3.3.3 Daily Settlement prior to Exercise

- (1) For each contract, profits and losses arising out of open positions on any Business Day will be determined at the end of the Post-Trading Period. For open positions from the previous Business Day, the amount to be debited or credited shall equal the difference between the daily settlement prices of the contract in question on the relevant Business Day and on the previous Business Day. For transactions on the relevant Business Day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price of the contract for such Business Day.

The determined profit or loss amount on any Business Day shall be ~~the STM Variation Margin Requirement, Segregated Variation Margin Requirement or Net Omnibus Variation Margin Requirement, as applicable, and/or any Redelivery Amount, as the case may be (as defined in Chapter I Part 2 Subpart A Number 5.4, Chapter I Part 3 Subpart A Number 6.3 or Chapter I Part 4 Number 7.4, as applicable).~~ Part 2 Number 2.1.2 Paragraph (1) shall apply *mutatis mutandis*.

- (2) Paragraph (1) shall apply to the legal relationship between Clearing Members and their relevant Non-Clearing Members *mutatis mutandis*.

[...]

3.13.3 Daily Settlement prior to Exercise

- (1) For each Options contract, profits and losses arising out of open positions on any Business Day will be determined at the end of the Post-Trading Period. For open positions from the previous Business Day, the amount to be debited or credited shall equal the difference between the daily settlement prices of the contract in question on the relevant Business Day and on the previous Business Day. For transactions on the relevant Business Day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price of the contract for such Business Day.

The determined profit or loss amount on any Business Day shall be ~~the STM Variation Margin Requirement or Segregated Variation Margin Requirement and/or any Redelivery Amount, as the case may be (each as defined in Chapter I Part 2 Subpart A Number 5, Chapter I Part 3 Subpart A Number 6 or Subpart B Number 5 or Chapter I Part 4 Number 7, as applicable).~~ Part 2 Number 2.1.2 Paragraph (1) shall apply *mutatis mutandis*.

| | |
|--|------------------|
| Attachment 2 to Eurex Clearing circular 112/18 | Eurex04e |
| Clearing Conditions of Eurex Clearing AG | As of 28.01.2019 |
| | Page 7 |
| Chapter II | |

(2) Paragraph (1) shall apply to the legal relationship between Clearing Members and their relevant Non-Clearing Members *mutatis mutandis*.

[...]
