

16 Dec 2021  
Eurex Clearing

# Amendments to the legal framework of Eurex Clearing AG: Implementation of CSDR Settlement Discipline Regime and discontinuation of Routing Service for C7 Securities Clearing Service (C7 SCS)

**Eurex Clearing Circular 109/21 Amendments to the legal framework of Eurex Clearing AG: Implementation of CSDR Settlement Discipline Regime and discontinuation of Routing Service for C7 Securities Clearing Service (C7 SCS)**

## **1. Introduction**

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

- A.** Introduction of the CSDR Settlement Discipline Regime (Penalty Regime),
- B.** Discontinuation of the Routing Service for C7 Securities Clearing Service (C7 SCS), and
- C.** Minor amendments to the Clearing Conditions due to harmonization of wording and referencing

The amendments under item A. will become effective as of **31 January 2022**. The amendments under items B. and C. will become effective as of **1 February 2022**.

Learn more about C7 SCS Release 1.0 on our dedicated Initiative Page under the following link: Support > Initiatives & Releases > C7 SCS Releases > **C7 SCS Release 1.0**. System documentation, circulars and much more information is available there for you.

## **2. Required action**

Clearing Members which currently use the Routing Service for Hold/Release management of transactions settled on Clearstream Banking Frankfurt international (CBF-i) 6-series accounts are advised to make use of the Hold/Release functionality directly offered by Clearstream Banking Luxembourg (CBL).

## **3. Details**

### **A. Introduction of the CSDR Settlement Discipline Regime (Penalty Regime)**

The regulatory background for the introduction of the CSDR Settlement Discipline Regime (SDR) is the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and is complemented by various Implementing Technical Standards and Regulatory Technical Standards (RTS), in particular, the Commission Delegated Regulation (EU) No 2018/1229 supplementing Regulation (EU) No 909/2014 with regard to regulatory technical standards on settlement discipline (as amended from time to time).

With the upcoming EU-wide CSDR SDR launch on 1 February 2022, only the Penalty Regime will come into force in a first step, as the mandatory Buy-in Regime is expected to be postponed, as announced by the European Commission in November 2021, to a later time after 1 February 2022.

CSDR SDR affects both securities clearing systems of Eurex Clearing, the C7 Securities Clearing Service (C7 SCS) for transactions at the Frankfurt Stock Exchange and transactions concluded at Eurex Deutschland that result in physical securities transactions, as well as the Securities CCP system for Eurex Repo market and BrokerTec transactions.

With the introduction of the CSDR penalties, (I)CSDs calculate/provide penalties for settlement accounts of Eurex Clearing. Eurex Clearing provides new CSDR-specific daily and monthly penalty reports on Clearing Member level. Monthly net penalty amounts will be calculated by Eurex Clearing on Clearing Member/CSD account/currency level. Penalty collection/distribution

will be performed by Eurex Clearing on a monthly basis in sync with the CSD's OTC business.

To reflect the regulatory changes with the introduction of the CSDR Settlement Discipline Regime (Penalty Regime), the following provisions of the Clearing Conditions will be amended as outlined in the Attachments 1 to 4:

- ◆ Attachment 1: Chapter I Part 1 Numbers 1.4.4 and 12.6.5
- ◆ Attachment 2: Chapter II Part 3 Number 3.6.6
- ◆ Attachment 3: Chapter IV Part 1 Number 1.1.2 and Part 2 Number 2.6
- ◆ Attachment 4: Chapter V Part 2 Number 2.2.1

## **B. Discontinuation of the Routing Service for C7 Securities Clearing Service (C7 SCS)**

On 27 September 2021, Eurex Clearing introduced the Routing Service to offer customers a possibility to partially release pending delivery instructions related to instruments in Non-Collective Safe Custody (NCSC) settled via Clearstream Banking Frankfurt International (CBF-i) 6-series accounts in Creation.

On 22 November 2021, Clearstream Banking Luxembourg (CBL) introduced a new partial release functionality so that customers can partially release their delivery instruction directly in Creation via MT530 or in Xact Web Portal as communicated in Clearstream Announcement **A21055**. With this service offering by CBL, the Routing Service in C7 SCS has become redundant.

With the introduction of the CSDR Penalty Regime as of 1 February 2022, continuation of the Routing Service could lead to a double penalization for late deliveries. Due to the "cancel/re-instruct mechanism" applied by the Routing Service, a release, a hold, or a partial release of a late trade would lead to one or two re-instructed transactions with the same settlement date triggering a Late Matching Fail Penalty (LMFP). Such LMFP would be triggered in addition to the already charged Settlement Fail Penalty (SEFP) for the cancelled late delivery instructions. To avoid such double penalization, the Routing Service shall be discontinued as of 1 February 2022.

**PLEASE NOTE: Although Eurex Clearing will decommission the Routing Service as of 1 February 2022, the Routing Service functionality will – from a technical perspective – still be available as of 1 February 2022. Irrespective of the technical availability of the functionality, the Routing Service is decommissioned as of 1 February 2022 and shall not be used as of 1 February 2022. Any Clearing Member, which continues using the Routing Service functionality as of 1 February 2022, shall remain fully responsible and fully liable for any continued use of the Routing Service (i.e. any LMFP).**

To reflect the discontinuation of the Routing Service, the following provisions will be amended as outlined in Attachment 5 and Attachment 6:

- ◆ Attachment 5: Chapter I Part 1 Number 1.4.2 (8) of the Clearing Conditions
- ◆ Attachment 6: Numbers 8.3.5 and 8.3.7 of the Price List

### **C. Minor amendments to the Clearing Conditions due to harmonization of wording and referencing**

Eurex Clearing proposes further minor amendments to its Clearing Conditions to further streamline its legal framework. For the amendments in detail, please refer to the Attachment 5:

- ◆ Attachment 5: Chapter I Part 1 Number 1.4.2 (7) of the Clearing Conditions

### **Publication of amendments to the Price List and the Clearing Conditions**

As of the effective dates, the full versions of the Clearing Conditions and Price List will be available for download on the Eurex Clearing website [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) under the following link:

#### **Rules & Regs > Rules and Regulations**

The 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 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.

#### **Attachments:**

- ◆ 1 – Amended sections of Chapter I of the Clearing Conditions in the context of CSDR Settlement Discipline Regime (Penalties)
- ◆ 2 – Amended sections of Chapter II of the Clearing Conditions
- ◆ 3 – Amended sections of Chapter IV of the Clearing Conditions
- ◆ 4 – Amended sections of Chapter V of the Clearing Conditions
- ◆ 5 – Amended sections of Chapter I of the Clearing Conditions in the context of Discontinuation of the Routing Service
- ◆ 6 – Amended sections of the Price List

#### **Further information**

Recipients: All Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG and vendors

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Target Front Office/Trading, Middle + Back Office, IT/System

groups: Administration, Auditing/Security Coordination

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Related circular: Eurex Clearing circulars **037/21, 069/21, 072/21**

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Contact: client.services@eurex.com

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Web: Support > Initiatives & Releases > C7 SCS Releases > **C7 SCS Release 1.0; Rules & Regs > Rules and Regulations**

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Authorized by: Jens Janka

## Related topics

- [Attachment 1 to Eurex Clearing Circular 109/21](#)
- [Attachment 2 to Eurex Clearing Circular 109/21](#)
- [Attachment 3 to Eurex Clearing Circular 109/21](#)
- [Attachment 4 to Eurex Clearing Circular 109/21](#)
- [Attachment 5 to Eurex Clearing Circular 109/21](#)
- [Attachment 6 to Eurex Clearing Circular 109/21](#)

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## General Provisions

As of 31.01.2022

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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[...]

**Part 1 General Clearing Provisions**

**1 General Rules**

[...]

**1.4 Settlement of Transactions**

[...]

**1.4.4 Buy-In Right, ~~and Buy-In Auction~~ and Penalties**

(1) Buy-In Right and Buy-In Auction; Penalties in respect of Securities outside the scope of the Penalty Regime of the CSD Regulation

(a) The Special Clearing Provisions may provide that in the event of a failure by a Clearing Member or Basic Clearing Member under a Transaction to deliver Securities to Eurex Clearing AG on the applicable delivery date, Eurex Clearing AG shall be entitled at the cost of the defaulting Clearing Member or the defaulting Basic Clearing Member to initiate a buy-in process whereby Eurex Clearing AG attempts to acquire the relevant Securities from a third party. For this purpose, Eurex Clearing AG may, subject to and in accordance with the Special Clearing Provisions (i) directly purchase the Securities from a third party, (ii) appoint a third party buy-in agent to acquire the Securities for Eurex Clearing AG and/or (iii) conduct an auction in accordance with the auction terms (“**Auction Terms**”) published by Eurex Clearing AG on the Eurex Clearing Website. The Auction Terms shall form part of these Clearing Conditions. Eurex Clearing AG shall inform the Clearing Member when it attempts to execute a buy-in and the Clearing Member shall not be entitled to deliver the relevant Securities to Eurex Clearing AG during such time. The same applies to the extent the buy-in has been successfully executed by Eurex Clearing AG.

\_\_\_\_ Where Eurex Clearing AG appoints a third party buy-in agent to acquire the Securities for Eurex Clearing AG, the rules of the buy-in agent may foresee maximum buy-in prices and these may be different from the maximum prices

Eurex Clearing AG would accept when it conducts an auction pursuant to the buy-in auction rules. The Clearing Member or Basic Clearing Member having failed to deliver the relevant Securities to Eurex Clearing AG on the applicable delivery date, shall reimburse Eurex Clearing AG for the costs charged by the buy-in agent in relation to the buy-in process. Such obligation is in addition to any charges that may apply in relation to a buy-in in accordance with the Clearing Conditions, provided that any such additional charges shall be subject to a maximum amount of EUR 3,000, (or in case charges are calculated in CHF, USD or GBP, an amount of CHF 4,200, USD 4,200 or GBP 2,700, respectively).

- (b) In addition, contractual penalties may apply with respect to the failure by a Clearing Member or Basic Clearing Member under a Transaction to deliver Securities (other than CSDR Penalty In-Scope Securities) to Eurex Clearing AG on the applicable delivery date.

"CSDR Penalty In-Scope Securities" means Securities (other than Securities to be delivered as Margin or as Contributions to the Default Fund) to which delivery obligations under Transactions with an Intended Settlement Date on or after the CSDR Penalty Effective Date relate and in respect of which (i) Article 7(2) of the CSD Regulation applies and has become effective and (ii) the exemption set out in Article 7(13) of the CSD Regulation does not apply, provided that if and as long as a letter (or similar statement) of the European Securities and Markets Authority or another competent regulatory authority is effective stating that such authority will not take any action if the penalty regime of the CSDR is not applied or not complied with, the relevant Securities will not qualify as CSDR Penalty In-Scope Securities.

"CSD Regulation" means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (as amended from time to time).

"CSDR Penalty Effective Date" means 1 February 2022 (or such later date upon which the CSDR provisions on penalties become effective as may be set out in any amendment to CSDR Delegated Regulation II).

"CSDR Delegated Regulation II" means Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) No 909/2014 with regard to regulatory technical standards on settlement discipline (as amended from time to time).

"Intended Settlement Date" has the meaning ascribed to the term "intended settlement date" in the CSD Regulation.

- (c2) Without prejudice to the provisions of the Special Clearing Provisions, Eurex Clearing AG shall be entitled to enter into a replacement purchase pursuant to Paragraph (1) above in case a Clearing Member or a Basic Clearing Member



fails under a Transaction to deliver Securities to Eurex Clearing AG on the applicable delivery date, causing the inability of Eurex Clearing AG to fulfill its due delivery obligation towards another Clearing Member or Basic Clearing Member and Eurex Clearing AG has received a Second Notification pursuant to Number 9.3.3 (3) of these General Clearing Provisions from the respective Clearing Member or Clearing Agent (acting on behalf of the Basic Clearing Member). The respective rules of the Special Clearing Provisions regarding costs and a potential cash settlement shall apply accordingly.

(2) Penalties in respect of Securities within the scope of the Penalty Regime of the CSD Regulation

Unless specified otherwise in the Special Clearing Provisions, the following provisions apply to the penalty process with respect to CSDR Penalty In-Scope Securities (in respect of which a settlement fail within the meaning of the CSD Regulation occurs):

If

- (A) a Clearing Member, a Basic Clearing Member or a holder of a Specific Repo License fails to deliver, in whole or in part, CSDR Penalty In-Scope Securities to Eurex Clearing AG in respect of a Transaction on the day that is the Intended Settlement Date for such delivery due to a settlement fail at the relevant CSD attributable to the delivery obligation of such Clearing Member, Basic Clearing Member or holder of a Specific Repo License (other than as a result of circumstances referred to in (B)); or
- (B) a delivery of CSDR Penalty In-Scope Securities by Eurex Clearing AG to a Clearing Member, a Basic Clearing Member or a holder of a Specific Repo License cannot be settled on the Intended Settlement Date in whole or in part for other reasons attributable to such Clearing Member, Basic Clearing Member or holder of a Specific Repo License or the relevant CSD participant to whose account the delivery is to be made (e.g., because a delivery instruction providing for delivery versus payment cannot be matched due to a lack of corresponding cash),

Eurex Clearing AG will charge penalties from such Clearing Member, Basic Clearing Member or holder of a Specific Repo License in accordance with Article 7(2) of the CSD Regulation in conjunction with Article 19 of CSDR Delegated Regulation II, subject to the following specifications:

- (a) Eurex Clearing AG will charge penalties from the relevant Clearing Members, Basic Clearing Members or holders of a Specific Repo License on the basis of the information and data on settlement fails provided, as well as the penalties calculated, by the relevant CSD in respect of the relevant failing participants at the level of the CSD. Eurex Clearing AG may rely on, and will not verify, any such information from, and penalty calculations by, the CSD.

(b) The relevant CSD will report to Eurex Clearing AG on a daily basis and on a monthly basis (in the latter case on the 14<sup>th</sup> CSD Business Day of the calendar month following the calendar month in which the settlement fails occurred and for which the related penalties have been calculated by the CSD (such monthly report, the "**CSD Monthly Report**") the relevant data referred to in lit. (a) in respect of settlement fails that have occurred in, and the related penalties calculated by the CSD for, each such month. In such reports from the CSD, such data will be broken down to single delivery instructions to which the settlement fails related.

"CSD Business Day" means, with respect to a CSD, a day (other than a Saturday or Sunday) on which such CSD operates.

(c) On the basis of the data received from the relevant CSD (and on a per-CSD basis) as part of the monthly reporting Eurex Clearing AG will, in its reasonable discretion (*billiges Ermessen*),

(A) attribute the delivery instructions, to which the settlement fails in the relevant calendar month related, to Clearing Members, Basic Clearing Members and holders of a Specific Repo License;

(B) calculate the penalty amounts that are payable to Eurex Clearing AG by such Clearing Members, Basic Clearing Members or holders of a Specific Repo License in respect of the relevant calendar month (such calculation will, if relevant, take into account that penalties cannot be charged to a Clearing Member, Basic Clearing Member or holder of a Specific Repo License against whom insolvency proceedings have been opened (as referred to in Article 7(12) of the CSDR); and

(C) determine the amounts payable to Clearing Members, Basic Clearing Members or holders of a Specific Repo License that are affected by the relevant settlement fails as distributions of penalties in accordance with Article 19(c) of CSDR Delegated Regulation II.

(d) On the basis of the amounts calculated in accordance with lit. (c) (B) and (C) Eurex Clearing AG will determine, for each Clearing Member, Basic Clearing Member and holder of a Specific Repo License to which a settlement fail is attributed or that is affected by a settlement fail, a monthly net amount (per currency) that – subject to the following provisions – is payable to, or receivable by, such Clearing Member, Basic Clearing Member or holder of a Specific Repo License.

(e) If the aggregate amount that would be payable by Eurex Clearing AG to Clearing Members, Basic Clearing Members and holders of a Specific Repo License pursuant to lit. (d) (in the relevant currency)

(A) is higher than the aggregate amount that is payable to Eurex Clearing AG by Clearing Members, Basic Clearing Members and holders of a Specific

Repo License with respect to a given calendar month (in the same currency) pursuant to lit. (d) (the fraction of the aggregate amount that is so payable to Eurex Clearing AG and the aggregate amount that would be so payable by Eurex Clearing AG, the "**Distribution Reduction Factor**"), Eurex Clearing AG will apply a reduction to the amounts payable by Eurex Clearing AG to Clearing Members, Basic Clearing Members and holders of a Specific Repo License pursuant to lit. (d) by multiplying each such amount with the Distribution Reduction Factor;

(B) is lower than the aggregate amount that is payable to Eurex Clearing AG by Clearing Members, Basic Clearing Members and holders of a Specific Repo License with respect to a given calendar month (in the same currency) pursuant to lit. (d) (the fraction of the aggregate amount that is so payable to Eurex Clearing AG and the aggregate amount that would be so payable by Eurex Clearing AG, the "**Distribution Increase Factor**"), Eurex Clearing AG will apply an increase to the amounts payable by Eurex Clearing AG to Clearing Members, Basic Clearing Members and holders of a Specific Repo License pursuant to lit. (d) by multiplying each such amount with the Distribution Increase Factor.

- (f) Eurex Clearing AG will charge and pay any such amounts per currency monthly on the third Business Day after receipt from all relevant CSDs of the related CSD Monthly Reports. Upon the request of a Clearing Member, Basic Clearing Member or holder of a Specific Repo License, Eurex Clearing AG will convert the relevant amount payable or receivable by such Clearing Member, Basic Clearing Member or holder of a Specific Repo License in a given currency into the specified billing currency of such Clearing Member, Basic Clearing Member or holder of a Specific Repo License using a conversion rate determined by Eurex Clearing AG in its reasonable discretion (*billiges Ermessen*).
- (g) Eurex Clearing AG will submit reports to the Clearing Members, Basic Clearing Members and holders of a Specific Lender License (i) on each Business Day setting out the penalties calculated at the CSD level and (ii) monthly on the first Business Day after receipt from all relevant CSDs of the related CSD Monthly Reports setting out the net amounts payable or receivable in accordance with lit. (d) to (f).
- (h) If, following a distribution to Clearing Members, Basic Clearing Members or holders of a Specific Repo License in accordance with lit. (c)(C) and (d) or following the submission of a report by Eurex Clearing AG on a distribution, Eurex Clearing AG becomes aware of circumstances affecting the calculation of such distributions, Eurex Clearing AG may correct such calculations.
- (i) If and to the extent that a Clearing Member, Basic Clearing Member or holder of a Specific Repo License fails to pay any amount in a given currency to Eurex Clearing in accordance with lit. (d) to (f), the aggregate amount payable by Eurex Clearing AG to Clearing Members, Basic Clearing Members and holders

of a Specific Repo License in with lit. (d) to (f) will be reduced on a pro rata basis (by applying lit. (e)(A) *mutatis mutandis*) and the relevant Clearing Member, Basic Clearing Member or holder of a Specific Repo License that has already received amounts not reflecting such reduction shall repay such reduction to Eurex Clearing AG.

(j) In respect of a failure to deliver Securities or a failure to provide a cash amount for the purposes of a settlement of the delivery of Securities that results in a settlement fail and falls within the scope of this Paragraph (2) any other provisions on contractual penalties for such failure to deliver or such failure to provide cash set out in the Clearing Conditions shall not apply; Chapter II Part 2 Number 2.3.5 (4) and Chapter V Part 2 Number 2.2.1 (6) (b) shall remain unaffected.

[...]

**12 Other Agreements and terms in respect of DC Market Participants and Indirect Client Market Participants with regard to the Clearing of Eurex Transactions and FWB Transactions; Determination of limits for Clearing Members by Eurex Clearing AG with respect to Market Transactions**

[...]

**12.6 Non-Compliance with Other Conditions**

[...]

12.6.4 Eurex Clearing AG may request the Clearing Member to submit written documentation in relation to a Stop Button entry pursuant to Number 12.6.1. The documentation shall contain details on the facts, in particular the amount of the agreed limit(s) and, as relevant, positions, the orders/quotes, type of agreed other duties (e.g. compliance with economic stability criteria) and conditions, the time of submission of a declaration pursuant to Number 12.6.1 and the time of revocation of a declaration pursuant to Number 12.6.1.

12.6.5 Eurex Clearing AG may suspend from the Clearing, in consultation with BaFin, any Clearing Member, Basic Clearing Member or holder of a Specific Repo License that fails consistently and systematically to deliver securities referred to in Article 5(1) of the CSD Regulation on the relevant Intended Settlement Date.

[...]

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Chapter II of the Clearing Conditions of Eurex Clearing AG

# Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 31.01.2022

Clearing Conditions of Eurex Clearing AG	Eurex04e
	As of 31.01.2022
	Page 1
Chapter II	

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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[...]

**Part 3 Clearing of Options Contracts**

[...]

**3.6 Clearing of Options Contracts and Low Exercise Price Options on Shares**

[...]

**3.6.6 Failure to Deliver**

In the event that a Clearing Member fails to deliver the underlying security on the delivery day (as per Number 3.6.1) according to the instructions of Eurex Clearing AG, Eurex Clearing AG shall take measures in accordance with Chapter V Part 2 Number 2.2; the provisions on the contractual penalty ~~provided therein shall also apply accordingly~~ set out in Chapter I Part 1 Number 1.4.4 (2) apply. For a non-delivery of shares not covered by Article 15 of Regulation (EU) 236/2012 on short selling as well as for subscription rights from Eurex Transactions with Options Contracts with the assigned group IDs GB11 and IE11, Number 3.6.7 shall apply.

[...]

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Chapter IV of the Clearing Conditions of Eurex Clearing AG

# Clearing of Repo Transactions

As of 31.01.2022

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INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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[...]

## **Part 1 General Provisions**

### **1.1 Clearing Licenses**

[...]

#### **1.1.2 Prerequisites for Clearing Licenses**

[...]

(2) The applicant shall meet the following additional requirements (and shall comply with such requirements for as long as it holds the relevant Clearing License or Basic Clearing Member Clearing License, as applicable):

(a) Evidence of technical connection to the systems of Eurex Clearing AG,

(b) if the applicant intends to clear GC Pooling repo transactions with Eurex Clearing AG (each a "**GC Pooling Repo Transaction**"),

(aa) evidence of the participation admission (including, where relevant, of the entering into the related documentation) and technical connection to the collateral management system Xemac of Clearstream Banking AG ("**Xemac**"), the collateral management system CmaX of Clearstream Banking S.A. ("**CmaX**") and/or any other triparty collateral management system or triparty collateral manager as Eurex Clearing AG may from time to time reasonably require, taking into account the interests of Eurex Clearing AG under the Clearing Conditions, developments in the market infrastructure and the collateral management offering as well as the interests of the Clearing Members and Basic Clearing Members, and, in respect of any such requirement affecting a Clearing Member or Basic Clearing Member already holding a Clearing License or Basic Clearing Member Clearing License for purposes of this Chapter IV, subject to Number 1.5 below (each of Xemac, CmaX or such other triparty collateral management system or other triparty collateral manager, a "**TPCM**"); ~~including the possibility of participation in the international Collateral Management~~, i.e. (i) either via own participation authorisation in Xemac,



CmaX or relevant other TPCM, (ii) via a respective agreement with another settlement institution which is authorised to participate in Xemac, CmaX or relevant other TPCM, or (iii) in case of Basic Clearing Members only, via their Clearing Agent, and

[...]

[...]

## Part 2 Clearing of Repo Transactions

[...]

### 2.6 Failure to Deliver

(1) Any failure to make a payment or delivery when due shall be governed by the following procedure:

(a) Failure to Deliver on the due date of the Front Leg

(aa) Repo Transactions other than GC Pooling Repo Transactions

[...]

If a negative Repo interest has been agreed upon, the calculation of the Repo interest no longer applies, if Eurex Clearing AG is able to set the present Business Day as an advanced repurchase date of the Term Leg of the respective Eurex Repo Transaction . The contractual penalty for a failure to deliver Securities or cash pursuant to Chapter I Part I Number 14.2.-2 shall not apply.

In respect of a failure to deliver CSDR Penalty In-Scope Securities the provisions on penalties set out in Chapter I Part 1 Number 1.4.4 (2) apply.

[...]

[...]

(b) Failure to Deliver on the due date of the Term Leg

(aa) Repo Transactions other than GC Pooling Repo Transactions

[...]

The contractual penalty for a failure to deliver Securities or cash pursuant to Chapter I Part I Number 14.2.2 shall not apply.

In respect of a failure to deliver CSDR Penalty In-Scope Securities the provisions on penalties set out in Chapter I Part 1 Number 1.4.4 (2) apply.

[...]

[...]

**Part 3 Special Conditions regarding the Clearing of GC Pooling Repo Transactions with holders of a Specific Repo License and corresponding GC Pooling Repo Transactions with Clearing Members**

[...]

**3.6 Failure to Fulfil**

**3.6.1 Failure to Fulfil by the delivery day of the Front Leg**

(1) [...]

(a) [...]

(b) in case of a Cash Taker Transaction, the holder of a Specific Repo License respectively,

has to pay to Eurex Clearing AG on the delivery day of the Term Leg the unreduced Repo interest for the entire period since the agreed delivery day of the Front Leg in full. Eurex Clearing will distribute such Repo interest to the Cash Provider of the corresponding GC Pooling Repo Transaction.

[...]

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Chapter V of the Clearing Conditions of Eurex Clearing AG

# Transactions Concluded at the Frankfurter Wertpapierbörse

As of 31.01.2022

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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[...]

**Part 2 Clearing of Transactions concluded at the Frankfurter Wertpapierbörse (FWB)**

[...]

**2.2 Failure to Deliver**

**2.2.1 Failure to Deliver Securities**

[...]

(6) Contractual Penalty

- (a) Penalties in respect of a nNon-delivery of SharesSecurities within the scope of the penalty regime of the CSD Regulation

In respect of a failure to deliver CSDR Penalty In-Scope Securities the provisions on penalties set out in Chapter I Part 1 Number 1.4.4 (2) apply. A Clearing Member is obliged to pay a contractual penalty to Eurex Clearing AG if it does not deliver Shares for which the principal trading venue is in a Member State of the European Union at the latest on the delivery day until the respective Settlement Cut-Off Time. This contractual penalty applies regardless of actual damages incurred by Eurex Clearing AG.

— The amount of the daily contractual penalty is 0.2 basis points of the value of the non-delivered Shares. The defaulting Clearing Member is obliged to pay the contractual penalty for each day of non-delivery, regardless of whether the right to deliver is excluded pursuant to Paragraph (2) (a), up to and including the day on which the replacement pursuant to Paragraph (2) or the payment of the cash settlement amount as determined pursuant to Paragraph (3) occurs.

- (b) Other penalties in respect of a Nnon-delivery of Securities

[...]

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Chapter I of the Clearing Conditions of Eurex Clearing AG

# General Provisions

As of 01.02.2022

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

## **Part 1 General Clearing Provisions**

### **1 General Rules**

[...]

#### **1.4 Settlement of Transactions**

[...]

[...]

##### **1.4.2 Settlement of Transactions in Securities**

[...]

[...]

(7) The usage of the T2S system for the settlement of securities transactions facilitates partial deliveries of securities during the day. Thus, deliveries of securities may also occur by means of partial deliveries which, accordingly, have a discharging effect. This shall likewise apply for the settlement of securities transactions via central securities depositories (in particular (I)CSDs) that facilitate partial deliveries of securities during the day to the extent Eurex Clearing AG supports such functionality for the respective central securities depository.

(8) Amendments to the Hold-/Release-Status with respect to Eurex Transactions and FWB Transactions

~~(a)~~ ———— Once a settlement instruction has been submitted to the relevant Settlement Location by Eurex Clearing AG, the Clearing Member or Basic Clearing Member (or, as applicable, the Clearing Agent) shall only be entitled to change settlement instructions relating to a delivery obligation in the systems of the relevant Settlement Location by setting, either in full or partially, such settlement instruction

on “hold” or “release” (“**Hold-/Release-Status**”). The Clearing Member or Basic Clearing Member (or, as applicable, the Clearing Agent) shall not change the settlement instruction in any other way. In case of a securities account of a settlement institution pursuant to Number 2.1.2 (7) of the General Clearing Conditions, the Clearing Member or Basic Clearing Member (or, as applicable, the Clearing Agent) shall ensure that the settlement institution does only make changes to the relevant settlement instruction relating to the Hold-/Release Status.

~~(b) In case the Clearing Member or Basic Clearing Member (or, as applicable, the Clearing Agent) submits changes settlement instructions to Eurex Clearing AG to be forwarded to the relevant Settlement Location by Eurex Clearing AG, Eurex Clearing shall also only process change requests by the Clearing Member or Basic Clearing Member (or, as applicable, the Clearing Agent) with respect to settlement instructions if it changes (fully or partially) the Hold-/Release Status.~~

[...]

[...]

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

**8 Service Fees Eurex Clearing, Eurex Deutschland, Frankfurt Stock Exchange (FWB) and Repo Transactions**

[...]

**8.3 General Service Fees**

[...]

**8.3.5 Service Fees for Master Data Management**

[...]

Service under C7 Securities Clearing Service	Fee per Modification and Settlement Account
[...]	
Deletion/Addition of a Settlement Account	EUR 100.00
Change of Routing Service	EUR 100.00
[...]	

[...]

**8.3.7 ~~Service Fee for Routing under C7 Securities Clearing Service~~**

Service:	Fee per message
<del>Routing Service</del>	<del>EUR 0.06</del>

[...]

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