

Eurex Clearing AG
ECAG Rule Certification 055-24
August 7, 2024

1. The text of the proposed amendments to the Clearing Conditions (“Clearing Conditions”) of Eurex Clearing AG (“Eurex Clearing”) is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is September 2, 2024.
3. Attached please find a certification that: (1) these amendments comply with the Commodity Exchange Act (the “Act”), and the Commission’s regulations thereunder; and (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <https://www.eurex.com/ec-en/rules-regs/regulations/cftc-dco-filings>.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appears below.
5. There were no opposing views expressed regarding these amended rules.
6. Confidential treatment is not requested.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE PROPOSED RULE AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION’S REGULATIONS THEREUNDER

Eurex Clearing is proposing the below amendments. For avoidance of doubt, Amendment No. 2 below relates only to transactions concluded on the Frankfurter Wertpapierbörse, which Eurex Clearing clears outside the scope of its DCO license, which applies only to swaps. Amendment No. 3 below relates only to transactions concluded on the Frankfurter Wertpapierbörse and Eurex Exchange, which Eurex Clearing clears outside the scope of its DCO license. Amendment No. 4 below relates only to transactions concluded on Eurex Exchange.

1. Amendments in context of CSDR SDR RTS Art. 19 changes (CSDR refit 2024)

On September 2, 2024 the amendment of CSDR SDR RTS Art. 19 in Delegated Regulation (EU) 2023/1626 (CSDR refit 2024) will become effective. This will change the reporting and payment processing regarding Central Securities Depositories Regulation (“CSDR”) penalties: (I)CSDs will directly book CSDR net cash penalties on Eurex Clearing’s cash accounts. Eurex Clearing will no longer be involved in the penalty booking process and will decommission the CCP-specific penalty collection/distribution and reporting process with C7 SCS Release 3.7. With the amended SDR RTS Art. 19, CCPs are explicitly permitted to allocate any remaining net cash amount of penalties after booking by the (I)CSDs to their own Clearing Members, to achieve the regulatorily intended net flat-zero position of the CCPs in the penalty process. The compensation of a potential monthly CSDR net penalty imbalance for Eurex Clearing will be ensured in a new monthly process on Clearing Member level. The new compensation process will replace the existing pro-rata adjustments.

2. Clarifications on Contractual Penalties paid by Eurex Clearing to Buyers

In context of late delivery fines on a dividend record date, the existing process to payout to Buyers 15 percent of the net dividend amount (on request by form) will only be granted if in parallel a Late Seller fails to deliver securities related to the same relevant corporate action event. As a consequence, Buyers need to be aware that a request towards Eurex Clearing to pay out the contractual penalty amount might be not (fully) granted, e.g. in case of a delayed settlement of securities towards the Buyer due to a technical reason or restrictions on the settlement platform.

3. Clarifications on Failure to Delivery Securities and General Provisions

The proposed provisions clarify aspects on the invoice currency EUR for Buy-In fee and Cash Settlement fee, on supported cash accounts for payments in context of Buy-Ins and Cash Settlements, on procedures related to late transactions settling at Euroclear UK and International (EUI, “CREST”) and on Pair-Off eligibility requirements. Moreover, for general provisions the wording is streamlined and outdated provisions are removed.

4. Clarifications on Corporate Actions for Eurex Exchange Transactions

Provisions on Corporate Actions handling are added for Eurex Exchange products with physical delivery of securities for which they were not included yet. Furthermore, two paragraphs in respect to transactions settling at Euroclear UK and International (EUI, “CREST”) are removed as they are obsolete.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in Eurex Clearing Circular 055-24, which is appended as Attachment A.

Eurex Clearing has identified the following derivatives clearing organization (“DCO”) Core Principle as potentially being relevant to the above amendments:

1. DCO Core Principle E (Settlement Procedures): The proposed amendments will comply with DCO Core Principle E because the amendments change reporting and payment processing procedures for penalties in line with a new EU regulation, and Eurex Clearing will continue to comply with this Core Principle.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7
U.S.C. §7a-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that:

- (1) the amendments comply with the Commodity Exchange Act, and the Commission's regulations thereunder; and
- (2) concurrent with the filing of this submission, Eurex Clearing is posting a copy of this filing to its website at: <https://www.eurex.com/ec-en/rules-regs/regulations/cftc-dco-filings>.

/s/ Eric Seinsheimer

By: Eric Seinsheimer

Title: US CCO, Eurex Clearing AG

Dated: August 7, 2024