

31 Jul 2024

Eurex Clearing

# Amendments to the Clearing Conditions of Eurex Clearing AG related to the amended CSDR SDR RTS Art.19 and C7 SCS Release 3.7

**Eurex Clearing Circular 055/24 Amendments to the Clearing Conditions of Eurex Clearing AG related to the amended CSDR SDR RTS Art.19 and C7 SCS Release 3.7**

## 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) regarding the following topics:

- A. Amendments in context of CSDR SDR RTS Art. 19 changes (CSDR refit 2024)
- B. Clarifications on Contractual Penalties paid by Eurex Clearing to Buyers
- C. Clarifications on Failure to Deliver Securities and General Provisions
- D. Clarification on Corporate Actions Handling for Eurex Transactions

The amendments will become effective as of **2 September 2024**.

## **A. Amendments in context of CSDR SDR RTS Art. 19 changes (CSDR refit 2024)**

On 2 September 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. For more details on the process, please also refer to Eurex Clearing Circular **044/24**.

To reflect the amendments in the Clearing Conditions, the following provision will be amended as outlined in Attachment 1:

- ◆ Chapter I Part 1 Number 1.4.4.2 of the Clearing Conditions

## **B. 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.

To reflect the amendments in the Clearing Conditions, the following provision will be amended as outlined in Attachment 2:

- ◆ Chapter V Part 2 Number 2.2.1 (6) (b) of the Clearing Conditions

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.

To reflect the amendments in the Clearing Conditions, the following provisions will be amended as outlined in Attachments 2 and 3:

- ◆ Chapter V Part 1 Numbers 1.1, 1.2 and 1.3 of the Clearing Conditions
- ◆ Chapter V Part 2 Numbers 2.2.1 (2) and (3) of the Clearing Conditions
- ◆ Chapter V Part 2 Number 2.2.5 (3) (e) of the Clearing Conditions
- ◆ Chapter II Part 3 Numbers 3.6.6 and 3.6.7

### **D. Clarifications on Corporate Actions for Eurex Transactions**

Provisions on Corporate Actions handling are added for Eurex 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.

To reflect the amendments in the Clearing Conditions, the following provisions will be amended as outlined in Attachment 3:

- ◆ Chapter II Part 2 Numbers 2.3.6 and 2.29.6 and Part 3 Number 3.9.6
- ◆ Chapter II Part 3 Number 3.6.9 of the Clearing Conditions

### **Publication of amendments to the Clearing Conditions**

As of the effective date, the full versions of the amended Clearing Conditions 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 and Regulations > Eurex Clearing Rules and Regulations > 1. Clearing Conditions**

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 prior to the relevant effective date(s) as stipulated in this circular. In case of an objection by the respective contractual party pursuant the preceding sentence, Eurex Clearing AG is entitled to terminate the respective contract (including a Clearing Agreement, if applicable). Instead of submitting an objection, the respective contractual party may submit in writing to Eurex Clearing AG comments to any amendments of the legal framework of Eurex Clearing AG within the first 10 Business Days after the

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 of Eurex Clearing AG
- ◆ 2 – Amended sections of Chapter V of the Clearing Conditions of Eurex Clearing AG
- ◆ 3 – Amended sections of Chapter II of the Clearing Conditions of Eurex Clearing AG

## Further information

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

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

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Related circulars: Eurex Clearing Circulars **011/24, 044/24**

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## Further information

[↓ Attachment 1 to Eurex Clearing Circular 055/24](#)



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Chapter I of the Clearing Conditions of Eurex Clearing AG

# General Provisions

As of 02.09.2024

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSED OUT

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[...]

## **Part 1 General Clearing Provisions**

### **1 General Rules**

[...]

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

[...]

##### **1.4.4 Failure to Deliver Securities**

[...]

###### **1.4.4.2 Penalties**

[...]

(2) [...]

**"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 CSDR Regulation applies and ~~has become effective and~~ (ii) the exemption set out in Article 7(138) 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, including Regulation (EU) No 2023/2845 of the European Parliament and of the Council of 13 December 2023 amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-

type ancillary services and requirements for third-country central securities depositories (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" / "CSDR Delegated Regulation"** 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, including Commission Delegated Regulation (EU) 2023/1626 of 19 April 2023 on amending the regulatory technical standards laid down in Delegated Regulation (EU) 2018/1229 as regards the penalty mechanism for settlement fails relating to cleared transactions submitted by CCPs for settlement (as amended from time to time).

— **"CSD Settlement Account"** means a securities settlement account of Eurex Clearing AG with an assigned cash account at CSDs relating to cleared transactions submitted by Eurex Clearing AG for settlement.

[...]

If

- (A) a Clearing Member, an ISA Direct Clearing Member or an ISA Direct Light License Holder fails to deliver, in whole or in part, CSDR Penalty In-Scope Securities to Eurex Clearing AG in respect of a ~~Transaction~~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, ISA Direct Clearing Member or ISA Direct Light License Holder ~~(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, an ISA Direct Clearing Member or an ISA Direct Light License Holder cannot be settled on the Intended Settlement Date in whole or in part for other reasons attributable to such Clearing Member, ISA Direct Clearing Member or ISA Direct Light License Holder 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 or settled due to a lack of corresponding cash),

Eurex Clearing AG ~~will charge~~may be subject to net penalties ~~from~~by the relevant CSDs per CSDR penalty currency and CSD Settlement Account of Eurex Clearing AG for cleared business with such Clearing MemberMembers, ISA Direct Clearing MemberMembers or ISA Direct Light License HolderHolders 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:



Pursuant to Article 7(4) of the CSDR Regulation, Eurex Clearing is entitled to have a mechanism in place to cover losses that it would incur resulting from the application of Article 7(2) third subparagraph of the CSD Regulation, as further specified below. If Eurex Clearing AG determines that a potential negative overall net imbalance for Eurex Clearing AG in a monthly CSDR penalty booking process by the CSDs based on the overall offset of the single net penalty payments (per penalty currency) related to the CSD Settlement Accounts occurred,

(a) ~~Eurex Clearing AG will charge penaltiespenalty imbalance compensations (the "**Single Member Compensation Amount**", as defined below under ((b)(C)) from the relevant Clearing Members, ISA Direct Clearing Members or ISA Direct Light License Holders on the basis of the net penalties booked by the relevant CSDs per CSD Settlement Accounts of Eurex Clearing AG and 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, ISA Direct Clearing Members and ISA Direct Light License Holders;~~

~~(B) calculate the penalty amounts that are payable to Eurex Clearing AG by such Clearing Members, ISA Direct Clearing Members or ISA Direct Light License Holders in respect of the relevant calendar month (such calculation will, if relevant, take into account that penalties cannot be charged to a Clearing Member, ISA Direct Clearing Member or ISA Direct Light License Holder 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, ISA Direct Clearing Members or ISA Direct Light License Holders 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 (b) Eurex Clearing AG will determine, for each relevant Clearing Member, ISA Direct Clearing Member and ISA Direct Light License Holder to which a settlement fail is attributed or that is affected by a settlement fail, a monthly net penalty compensation amount (per currency) that – subject to the following provisions – is payable to, or receivable by, such Clearing Member, ISA Direct Clearing Member or ISA Direct Light License Holder. to Eurex Clearing AG~~

~~(e) If the aggregate amount that would be payable by (A) Eurex Clearing AG Overall Net Imbalance and Adjusted Net Gap Contribution~~

~~Eurex Clearing AG will determine if a potential monthly overall CSDR penalties net imbalance across all Eurex Clearing AG's CSDR Penalty Settlement Accounts occurred (the "Overall Net Imbalance"). The determination of such an Overall Net Imbalance is based on the CSD reporting and the effective CSD net penalty cash bookings and can be positive or negative in its amount. In case of a negative Overall Net Imbalance for Eurex Clearing AG (the "Overall Net Gap"), a compensation process is triggered for the actual month.~~

~~Only Eurex Clearing AG's CSD Settlement Accounts which have a negative imbalance contribution to Clearing Membersthe Overall Net Imbalance are considered in such further compensation process. The Overall Net Gap will be assigned pro-rata to all negatively contributing Eurex Clearing AG CSD Settlement Accounts (the "Adjusted Net Gap Contribution").~~

~~(B) Single Member Contribution Factor~~

~~As no direct relation of the Overall Net Gap of Eurex Clearing AG to a specific single Clearing Member, ISA Direct Clearing Members and Member or ISA Direct Light License Holders pursuant to lit. (d) (in the relevant Holder can be drawn, the determination of the single member contribution is based on the evaluation of the single Clearing Member's, ISA Direct Clearing Member's or ISA Direct Light License Holder's contribution in relation to the total CSD calculated net penalty collections to Eurex Clearing AG, related to a specific Eurex Clearing AG CSD Settlement Account which defines a Clearing Member's, ISA Direct Clearing Member's or ISA Direct Light License Holder's individual pro-rata contribution factor per CSD Settlement Account and penalty currency) (the "Single Member Contribution Factor").~~

~~(A) is higher than the aggregate amount that is payable to Eurex Clearing AG by Only Clearing Members, ISA Direct Clearing Members or ISA Direct Light License Holders with CSDR penalty payments to Eurex Clearing AG with regard to one of the negatively contributing Eurex Clearing AG CSD Settlement Accounts are therefore included in the gap compensation process. Clearing Members, ISA Direct Clearing Members and/or ISA Direct Light License Holders 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 ~~no actual penalty payments~~ 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, as well as Clearing Members, ISA Direct Clearing Members and/or ISA Direct Light License Holders pursuant to lit. (d) by multiplying each such amount with the ~~Distribution Reduction Factor~~; involved in the penalty processes with no negative imbalance in an Eurex Clearing AG CSD Settlement Account will not be considered for the compensation payments.~~

~~(B) is lower than the aggregate amount that is payable to Eurex Clearing AG by Clearing Members (C) Single Member Compensation Amount~~

~~The pro-rata "**Single Member Contribution Factor**" (determined in (B)) is applied to the "**Adjusted Net Gap Contribution**" (determined in (A)). The result is the Clearing Member's, ISA Direct Clearing Members and Member's or ISA Direct Light License Holders with respect to a given calendar month (in the same currency) ~~Holder's~~ single member compensation amount ("**Single Member Compensation Amount**") which will be payable as a single net payment (per penalty currency) pursuant to lit. (d) (Eurex Clearing AG.~~

~~(c) If the fraction of the aggregate Overall Net Imbalance based on CSD bookings is a positive net amount that is so payable to, such positive amounts will be applied to offset an Overall Net Gap of 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 ~~in following month(s), before calculating again each relevant Clearing Member's, ISA Direct Clearing Members and Member's or ISA Direct Light License Holders pursuant to lit. (d) by multiplying each such amount with the Distribution Increase Factor~~ Holder's Single Member Compensation Amount.~~

~~(fd) Eurex Clearing AG will report and charge and pay any such amounts Single Member Compensation Amounts per CSDR penalty currency monthly on at the third Business Day beginning of the month after receipt from all relevant the CSDs of the related CSD Monthly Reports have booked the cash penalties, as part of the standard monthly Eurex Clearing AG payment notification process. Upon the request of a Clearing Member, ISA Direct Clearing Member or ISA~~

Direct Light License Holder, Eurex Clearing AG will convert the relevant amount payable or receivable by such Clearing Member, ISA Direct Clearing Member or ISA Direct Light License Holder in a given currency into the specified billing currency of such Clearing Member, ISA Direct Clearing Member or ISA Direct Light License Holder 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 and ISA Direct Clearing Members (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, ISA Direct Clearing Members or ISA Direct Light License Holders 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, ISA Direct Clearing Member or ISA Direct Light License Holder 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, ISA Direct Clearing Members and ISA Direct Light License Holders 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, ISA Direct Clearing Member or ISA Direct Light License Holder that has already received amounts not reflecting such reduction shall repay such reduction to Eurex Clearing AG.~~
- ~~(j)(e) 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.~~

[...]

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Chapter V of the Clearing Conditions of Eurex Clearing AG

# Transactions Concluded at the Frankfurter Wertpapierbörse

As of 02.09.2024

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSED OUT

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[...]

## Part 1 General Provisions

- (1) Eurex Clearing AG carries out the Clearing of Transactions in securities and rights concluded at the Frankfurter Wertpapierbörse ("**FWB**") ("**FWB Transactions**"), provided that the securities or rights underlying the respective FWB Transaction ~~can be settled~~ are included in the Clearing by Eurex Clearing AG and can be settled by the respective Settlement Location and that the prerequisites pursuant to Paragraph (2) are fulfilled.
- (2) Eurex Clearing AG determines, in agreement with FWB, which ~~FWB Transactions~~ respectively which securities and rights underlying these ~~FWB Transactions~~ shall be included in the Clearing. The ~~FWB Transactions~~ securities and rights being included in the Clearing shall be published by Eurex Clearing AG to the Clearing Members via ~~electronic publication in the internet exclusively,~~ available on the Eurex Clearing Website.
- (3) ~~If and to the extent that the Clearing or other respective rules have have been agreed upon between Eurex Clearing AG and FWB,~~ The provisions of Chapter I shall also apply to the Clearing of FWB Transactions concluded at FWB unless otherwise provided hereinafter.
- (4) Not more than three different Clearing Members may clear FWB Transactions concluded in the ~~electronic trading system of FWB~~ with respect to the same DC Market Participant or the same Indirect Client Market Participant. In this case, the provisions on the change of the Clearing Member (Chapter I Part 1 Number 8), on the default rules relating to DC Market Participants or Indirect Client Market Participants (Chapter I Part 1 Number 10) and other agreements between Clearing Members and DC Market Participants or Indirect Client Market Participants relating to the clearing of FWB Transactions (Chapter I Part 1 Number 12) shall apply only insofar as the respective legal relationship between the relevant Clearing Member and the DC Market Participant (or, in the case of an Indirect Client Market Participant, the Direct Client to which it relates) is affected.

[...]

- (5) A DC Market Participant or Indirect Client Market Participant may on behalf of the Clearing Member enter into the trading system of FWB orders and quotes for all securities and rights belonging to the securities classes agreed upon among the Clearing Member and the DC Market Participant or Indirect Client Market Participant as well as for all securities and rights tradable in the continuous auction trading model.
- (6) The Clearing Conditions incorporate by reference the Exchange Rules for the Frankfurter Wertpapierbörse, the Conditions for Transactions at the Frankfurter Wertpapierbörse and other rules and regulations of the Frankfurter Wertpapierbörse with respect to the Clearing of FWB Transactions concluded on the Frankfurter Wertpapierbörse pursuant to Part 2, each in their German version and as amended from time to time.

## 1.1 Clearing Licenses

[...]

### 1.1.2 Prerequisites for Clearing Licenses

~~(1)~~

With regard to the prerequisites to be fulfilled ~~within for~~ the granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply.

~~(2) Upon written request and after submission of respective evidence by the applicant or a Clearing Member, Eurex Clearing AG may allow that the prerequisites for a Clearing License pursuant to Paragraph (2) (b) and additionally, as an option, the prerequisites pursuant to Paragraph (2) (a) are wholly complied with and evidence is provided for by one or more settlement institutions in the name and on behalf of the applicant or the Clearing Member. Chapter I Part 1 Number 2.1.2 Paragraph (7) and (8) apply *mutatis mutandis*.~~

## 1.2 Margin Requirement

The following applies ~~in addition~~ according to the relevant basic provisions on margin requirements set out in Chapter I:

[...]

## 1.3 Clearing of Off-Book Trades

As part of the Clearing of FWB Transactions, Eurex Clearing AG also provides, besides the Clearing of FWB Transactions, the Clearing of off-book-trades concluded pursuant to Part I.a. of the Conditions for Transactions on the Frankfurter Wertpapierbörse ("**Off-Book Trades**"). The provisions in Chapter I, and this Chapter V shall apply to Off-Book Trades *mutatis mutandis* unless ~~not regulated otherwise in the~~ Conditions for Transactions on the Frankfurter Wertpapierbörse provide differently.

[...]

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

[...]

### **2.2 Failure to Deliver**

#### **2.2.1 Failure to Deliver Securities**

[...]

For the avoidance of doubt, subscription rights are not considered as Securities and therefore, the provisions under to-Number 2.2.2 apply.

[...]

#### **(2) Costs of the Buy-in; Buy-in Fees**

##### **(a) Costs of the Buy-in**

As far as the price paid by Eurex Clearing AG for the Securities in the buy-in exceeds the price under the FWB Sell Transaction, Eurex Clearing AG shall be entitled to claim the difference between the price under the FWB Sell Transaction and the price paid by Eurex Clearing AG for the Securities in the buy-in multiplied by the number of Securities purchased in the buy-in.

The relevant cash payment shall be made through the RTGS DCAs, the euroSIC Accounts, the SIC Accounts, cash accounts with Clearstream Banking AG or cash accounts with a Settlement Bank.

##### **(b) Buy-in Fees**

Eurex Clearing AG charges the Late Seller with a fee in EUR for each buy-in carried out in relation to a class of Securities in an amount of

[...]

When converting fees into the invoice currency EUR, Eurex Clearing AG will use a commercially reasonable exchange rate applicable at the relevant point in time.

#### **(3) Cash Settlement**

[...]

##### **(c) General Provisions**

##### **(aa) Consequences of Cash Settlement**



[...]

Eurex Clearing AG shall set off the cash settlement amount to be paid by the Late Seller with the amount to be paid for the non-delivered Securities under the relevant FWB Sell Transaction.

The relevant cash payment shall be made through the RTGS DCAs, the euroSIC Accounts, the SIC Accounts, cash accounts with Clearstream Banking AG or cash accounts with a Settlement Bank.

[...]

(e) Cash Settlement Fee

Eurex Clearing AG will charge a fee in EUR from the Late Seller for every cash settlement in an amount of 0.0025 per cent of the value of the respective class of Securities to be delivered under the relevant FWB Sell Transaction, however at least EUR 250 and at maximum EUR 1,000. When converting fees into the invoice currency EUR, Eurex Clearing AG will use a commercially reasonable exchange rate applicable at the relevant point in time.

[...]

(6) Contractual Penalty

[...]

(b) Additional penalties in respect of a Failure to Deliver Securities

~~A Late Seller is obliged to pay a contractual penalty to Eurex Clearing AG and Eurex Clearing AG is obliged to pay a contractual penalty to the relevant Buyer, if the Late Seller or Eurex Clearing AG does not fails to deliver Securities on which dividend or bonus payments are paid during a Failure to Deliver Securities to Eurex Clearing AG. This contractual penalty applies regardless of whether Eurex Clearing AG or the relevant Buyer suffers any losses. Eurex Clearing AG is obliged to pay a contractual penalty to the relevant Buyer if it fails to deliver Securities to the Buyer on which dividend or bonus payments are paid. Such contractual penalty only applies in case of a Failure to Deliver Securities to Eurex Clearing AG by the Seller of the Securities and regardless of whether the Buyer suffered any loss.~~

This Paragraph (6) (b) shall not apply to the delivery of fixed income securities, Securities pursuant to Paragraph (4) (b) or the delivery of ETF pursuant to Paragraph (4) (c).

[...]

## 2.2.5 Pair-Off Service

[...]

(3) **Pair-Off Eligibility Requirements**

[...]

(e) the relevant Pair-Off ~~Transactions Securities~~ are not subject to a Corporate Action from the Trade Date (including) until the Pair-Off Date (including),

[...]

**2.3 Corporate Actions**

[...]

(4) Corrections to Corporate Actions

In case Corporate Actions were carried out incorrectly or not at all by the relevant Settlement Location, Eurex Clearing AG shall be entitled to undertake the required corrections to Corporate Actions.

[...]

**2.5 Transaction Netting**

[...]

**2.5.2 Net Processing Methods**

(1) The Clearing Member may specify by submitting a form provided on the Eurex Clearing Website by ~~Eurex Clearing AG on its website~~ which of the following processing methods (each a "**Net Processing Method**") shall be applicable:

[...]

[...]

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Chapter II of the Clearing Conditions of Eurex Clearing AG

# Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 02.09.2024

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSED OUT

\*\*\*\*\*

[...]

## **Part 2 Clearing of Futures Contracts**

[...]

### **2.3 Clearing of Fixed Income Futures Contracts**

[...]

#### **2.3.6 Corporate Actions**

The provisions with respect to corporate action handling pursuant to Chapter V Part 2 Number 2.3 shall apply accordingly for securities whose delivery has not yet been effected.

[...]

### **2.29 Clearing of Futures Contracts on BTCetc - ETC Group Physical Bitcoin**

[...]

#### **2.29.5 Corporate Actions**

The provisions with respect to corporate action handling pursuant to Chapter V Part 2 Number 2.3 shall apply accordingly for securities whose delivery has not yet been effected.

[...]

## **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 Contractual Settlement Date (as per Number 3.6.1) until the respective settlement cut-off time for the Settlement Location according to the instructions of Eurex Clearing AG, the provisions of Chapter V Part 2 Number 2.2 shall apply accordingly. This Number 3.6.6 does not apply in case of securities resulting from Options Contracts or LEPOs with the assigned group ID GB11, GB14, and IE11 and IE14.

### 3.6.7 Failure to Deliver or Accept Securities from Options Contracts with Group ID GB11, GB14, and IE11 and IE14

[...]

#### 3.6.7.2 Failure to Accept Securities

[...]

Upon performance of the cash settlement, the delivery obligation of Eurex Clearing AG arising from the relevant Options Contract on Shares or LEPOs expires. Instead of the delivery obligation, Eurex Clearing AG shall be obliged to pay to the Clearing Member the determined cash settlement amount. Therefore, Eurex Clearing AG shall be entitled to sell the relevant Securities on the London Stock Exchange or Euronext Dublin. The provisions under Number 3.6.7.1 Paragraph (2) shall apply accordingly with the exception that the settlement price pursuant to Chapter V Part 2 Number 2.2.1 (3) (b) (aa) (i) of the Clearing Conditions. The cash settlement amount is determined as follows:

(aa) The lowest price of

(i) The agreed price per Security under the respective Options Contract on Shares and LEPOs; and

(ii) shall be replaced by the price for which Eurex Clearing AG sold the relevant Securities. Security on the London Stock Exchange or Euronext Dublin.

(bb) the lowest price so determined is multiplied by the number of non-accepted Securities under the Options Contract on Shares and LEPOs.

Eurex Clearing AG shall set off the cash settlement amount to be paid by Eurex Clearing AG with the amount to be paid to Eurex Clearing for the non-accepted Securities under the respective Options Contract on Shares and LEPOs.

In addition to that, the provisions of Chapter V Part 1 Number 2.2.1 (3) (c) (bb) of the Clearing Conditions shall apply accordingly.

#### 3.6.7.3 Failure to Deliver Rights

If the Clearing Member obliged to deliver subscription rights or other rights resulting from the Securities does not deliver such rights prior to expiration of the subscription period, Eurex Clearing AG shall be entitled to perform a cash settlement ~~on the 21st Business~~

Day after the Contractual Settlement Date with respect to the rights. Chapter V Part 2 Number 2.2.1 (3) (b) und (c) of the Clearing Conditions shall apply accordingly.

### 3.6.8 Corporate Actions

In case of corporate actions relating to underlyings of Options Contracts on Shares and LEPOs covered by this Number 3.6, provided that the delivery of those underlyings has not yet been effected, the provisions under Chapter V Part 2 Number 2.3 shall apply *mutatis mutandis*. Each cash settlement claim resulting out of measures in connection with corporate actions shall become due and payable on the first Business Day after its determination by Eurex Clearing AG. This Number 3.6.8 does not apply in case of securities resulting from Options Contracts or LEPOs with the assigned group ID GB11, GB14, and IE11 and IE14.

### 3.6.9 Corporate Actions on Securities from Options Contracts with Group ID GB11, GB14, and IE11 and IE14

- (1) Any Corporate Actions relating to underlyings of Options Contracts on Shares and LEPOs with the group IDs GB11, GB14, IE11 and IE14 whose delivery has not yet been effected, shall be processed by Euroclear UK & International Ltd in accordance with its applicable rules. If transfer obligations which have not yet been fulfilled and are resulting from Options Contracts with the assigned group IDs GB11 and IE11, refer to shares with regard to which a corporate actions is made, Eurex Clearing AG shall – within the scope of Clearing of such transactions in relation to its Clearing Members – generally settle such actions according to the rules which apply or are applied therefore with Euroclear UK & International Ltd as relevant home market.

Corporate Action(s) means any dividend payments, bonus payments or other cash distributions, transformations, the granting of subscription rights to shares or comparable rights, conversion offers or any other similar action or event.

Eurex Clearing AG will not and shall not be obliged to check whether Euroclear UK & International Ltd processed the Corporate Actions correctly.

[...]

- (3) If a ~~corporate action~~ Corporate Action results in a change of the type of custody to individual safekeeping, the following provisions shall apply between Eurex Clearing AG and the Clearing Members as contractual parties of the Options Contract:

[...]

- (5) ~~[Deleted]~~ Eurex Clearing AG shall implement corporate actions for its Clearing Members if the respective assignment obligation resulting from the corporate action cannot be fulfilled in the system of Euroclear UK & International Ltd. In this case, Eurex Clearing AG shall inform the respective Clearing Members about the fact that the implementation and settlement of the respective corporate action is made by Eurex Clearing AG according to the instructions of Eurex Clearing AG. The respective Clearing Members are obliged to comply with the instructions of Eurex Clearing AG which the latter gives in the course of the implementation and settlement of the corporate action.
- (6) ~~[Deleted]~~ If a corporate action is implemented by Euroclear UK & International Ltd or by Eurex Clearing AG – such corporate action not being regulated by aforementioned provisions – Clearing Members are obliged to assign the concerned shares to Eurex Clearing AG according to the latter's instructions. Eurex Clearing AG shall assign these shares accordingly to the Clearing Members. Sentence 1 and 2 apply accordingly with regard to cash payments which have to be made by Clearing Members due to corporate actions not being regulated in aforementioned provisions.
- (7) If a Clearing Member does not fulfil an obligation incumbent upon it in the course of a corporate action Corporate Action, and if, as a consequence, the corporate action Corporate Action is not executed, Eurex Clearing AG is entitled to transfer its claims vis-à-vis the Clearing Members to the Clearing Members concerned by the non-execution with debt-discharging effect. For that reason, Eurex Clearing AG shall disclose its claim against a Clearing Member to the Clearing Member concerned by the non-execution.

[...]

### **3.9 Clearing of Options Contracts on Xetra-Gold®**

[...]

#### **3.9.6 Corporate Actions**

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The provisions with respect to corporate action handling pursuant to Chapter V Part 2 Number 2.3 shall apply accordingly for securities whose delivery has not yet been effected.

[...]

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