

05 Aug 2024
Eurex Clearing

Amendments to the Clearing Conditions of Eurex Clearing AG

Eurex Clearing Circular 057/24 Amendments to the Clearing Conditions of Eurex Clearing AG

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 topic:

A. Exemptions for Public Entities

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

2. Required action

There is no required action.

3. Details of the initiative

A. Exemptions for Public Entities

The contemplated amendments relate to the exemptions for Public Entities within the meaning of Chapter I Part 1 Number 2.1.3 Paragraph (1) of the

very strict criteria. For the sake of transparency, Eurex Clearing stipulates the main exemption criteria in its Clearing Condition. For instance, Eurex Clearing requires at least an AA- rating for certain public entities to be eligible for margin or Default Fund exemptions.

This amendment to the Clearing Conditions intends to clarify two existing exemption-related procedures of Eurex Clearing:

- ◆ The generalization of the exemption of Public Entities from the own funds' requirements, stipulated under Chapter I Part 1 Number 2.1.2 (3) of the Clearing Conditions, as Public Entities are not subject to any regulatory own fund requirements under the CRD V, CRR, IFR or IFD.
- ◆ The clarification that the rating requirement of AA- (AA minus) by Standard & Poor's Financial Services LLC is also required for the granting of an exemption from the participation in DM Auctions during a Default Management Process. Such requirement is already explicitly highlighted for the exemption of other requirement and will continue to apply.

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

- ◆ Chapter I Part 1 Number 2.1.3 (2)

As of the effective date, the full version of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurex.com/ec-en/ under the following link:

Rules & Regs > Eurex Clearing Rules & 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 publication of the amendments. Eurex Clearing AG shall assess whether these comments prevent the published amendments from becoming effective taking into account the interests of Eurex Clearing AG and all contractual

CONDITIONS OF FCM Clearing CONDITIONS OF Eurex Clearing AG, as applicable.

Attachment:

- ◆ Amendments to Chapter I Part 1 Number 2.1.3 (2) 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 and vendors

Target groups: Front Office/Trading, Middle + Backoffice

Contact: client.services@eurex.com

Web: www.eurex.com/ec-en/

Authorized by: Dmitrij Senko

Further information

[!\[\]\(0d5ec72f61334709c3fc9450209b754f_img.jpg\) Attachment to Eurex Clearing Circular 057/24](#)

A member of

EUREX

Trade



Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 02.09.2024

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSED OUT

Part 1 General Clearing Provisions

[...]

2 Clearing Members

2.1 Clearing License

[...]

2.1.3 Prerequisites for Public Entities

[...]

- (2) Applicants within the meaning of Paragraph (1) are required to fulfil the general prerequisites set out in Number 2.1.2 Paragraphs (~~4~~3) to (6) and the special prerequisites for the relevant Transaction Type, unless they have been exempted in whole or in part from the fulfilment of these prerequisites by Eurex Clearing AG.

Applicants within the meaning of Paragraph (1) (a) to (d) may in particular be exempted from the requirement to:

- (a) ~~have available own funds pursuant to Number 2.1.2 Paragraph (3);~~
- (~~b~~a) have available Securities Accounts pursuant to Number 2.1.2 Paragraph (4);
- (~~e~~b) pay Contributions to the Default Fund pursuant to Number 2.1.2 Paragraph (5) (d);
- (~~d~~c) meet margin requirements pursuant to Number 3 for specific Transaction Types; and/or to
- (~~e~~d) participate in DM Auctions pursuant to Number 7.5.3 in connection with the DM Auction Rules.

Public sector entities within the meaning of Paragraph (1) (c) may only be exempted from the requirements mentioned in (a), (~~b~~) and (~~d~~e).

[...]

- (3) Any exemption pursuant to Paragraph (2) will be granted only upon written request and upon the sole risk assessment of Eurex Clearing with the option of revoking such exemption at any time. An exemption from the requirements mentioned in Paragraph (2) (b), (c), and (d) presupposes that the creditworthiness of the applicant determined on the basis of Eurex Clearing AG's internal assessment pursuant to Number 1.6.1 Paragraph (4) corresponds at least to a rating of AA- (AA minus) by Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial Inc. ("**S&P**"). If the applicant has an unlimited guarantee or declaration of liability from a guarantor that falls within one of the categories listed in Paragraph (1), the rating of that guarantor is decisive.

[...]

[...]
