

Eurex Clearing AG
ECAG Rule Certification 070-24, 071-24
September 25, 2024

1. The text of the proposed amendments to the Clearing Conditions (“Clearing Conditions”) of Eurex Clearing AG (“Eurex Clearing”) and Auction Terms (“Auction Terms”) of Eurex Clearing is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation for Amendment No. 1 is October 21, 2024. The date of intended implementation for Amendment No. 2 is November 18, 2024. The proposed amendments for Amendment No. 2 are subject to a consultation process (“Consultation”). The Consultation will end with the expiry of October 24, 2024 (“Consultation Period”). The planned effective date is November 18, 2024, depending on the outcome of the Consultation, which will be communicated in a separate Eurex Clearing circular.
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

1. Eurex Clearing is amending the Clearing Conditions and Auction Terms, as outlined in Eurex Clearing Circular 070/24, which is appended as Attachment A as follows. For avoidance of doubt, these amendments under Nos. A and B below apply only to the clearing of Repo transactions, which falls outside of Eurex Clearing’s DCO registration, which applies only to swaps.

A. GC Pooling Collateral Re-Use for Uncleared Margin Rules

Today, GC Pooling Collateral Receivers can re-use their received collateral for pledges towards Eurex Clearing, Bundesbank, or Banque Central du Luxembourg. In order to further enhance the collateral optimization opportunities, the proposed amendments enable Clearing Members to re-use their GC Pooling Collateral to cover margin requirements in the non-cleared OTC Derivatives

Market. As for other GC Pooling Collateral re-use options, the collateral will remain siloed in Clearstream's Triparty Collateral Management system Cmax.

B. Redemption Process for Repo Transactions

Today, in case a bond matures during the lifecycle of a Repo Transaction, Eurex Clearing's C7 SCS system performs an automated redemption. The pending delivery instruction will be manually cancelled and two new cash instructions will be instructed. The proposed amendments introduce a description of the redemption process for Repo Transactions into the Clearing Conditions.

C. Harmonization of currency for penalty payment on settlement failure after buy-in auction

The proposed amendments introduce that in case of a settlement failure after a successful buy-in auction, the penalty payment will be always charged in currency EUR, independent of the currency of the actual securities transaction.

2. Eurex Clearing is amending the Clearing Conditions, as outlined in Eurex Clearing Circular 071/24, which is appended as Attachment A as follows. For avoidance of doubt, Eurex Clearing clears the ISA Direct model outside the scope of its DCO license; Eurex Clearing does not offer the ISA Direct model in the U.S. at this time.

The ISA Direct model was introduced with additional incentives for the Clearing Agent to diligently select their ISA Direct Clearing Members. In the event of a default of the ISA Direct Member, its Clearing Agent is liable for two assessments on the default fund contribution of the ISA Direct Member prior to the Dedicated Amount of Eurex Clearing in the Order of Priority of the Realisation of the Default Fund, thereby tripling the Clearing Agents' Default Fund payment prior to resources of other Default Fund contributors. Since direct clearing access for regulated buy-side firms and the ISA Direct clearing model have become well established, a harmonization with the standard waterfall and equal treatment of comparable risk is appropriate. The admission requirements for ISA Direct equal those for other direct Clearing Members. The proposed amendments will remove Default Fund assessments of the Clearing Agent specifically relating to ISA Direct Clearing Members prior to Dedicated Amount of Eurex Clearing in the Order of Priority of the Realisation of the Default Fund.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in Eurex Clearing Circulars 070/24 and 071/24, which are 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 harmonize the currency for the penalty payment in case of a settlement failure after a successful buy-in auction, 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: September 25, 2024