

## ***Part 1 – General Provisions***

purposes of the clearing of Contracts). In respect of a Sponsor, the term includes each of its Sponsored Principals.

The term "**Customer Account**" means any one customer account at the Clearing House of the various different Customer Account Categories and comprises in the case of each Customer Account the related Customer Position Account and Customer Margin Account.

The term "**Customer Account Category**" means:

- (i) in relation to an FCM/BD Clearing Member, any of the following categories of Customer Account of such FCM/BD Clearing Member:
  - (A) each different DCM Customer Account;
  - (B) each different Non-DCM/Swap Customer Account;
  - (C) each different Swap Customer Account;
  - (D) each different General Customer Account; and
  - (E) each different SBS Customer Account; and
- (ii) in relation to a Non-FCM/BD Clearing Member, any of the following categories of Customer Account of such Non-FCM/BD Clearing Member:
  - (A) each different Segregated Customer Omnibus Account For F&O;
  - (B) each different Segregated TTFCFA Customer Omnibus Account For F&O;
  - (C) each different Segregated Customer Omnibus Account For CDS;
  - (D) each different Segregated TTFCFA Customer Omnibus Account For CDS;
  - (E) each different Segregated Customer Omnibus Account For FX;
  - (F) each different Segregated TTFCFA Customer Omnibus Account For FX;
  - (G) each different Individually Segregated Margin-flow Co-mingled Account;
  - (H) each different Omnibus Margin-flow Co-mingled Account;
  - (I) each different Individually Segregated Sponsored Account each of which is a Customer Account of the Sponsor opened at the Clearing House in the name of the Sponsored Principal;
  - (J) each different Standard Omnibus Indirect Account For F&O;
  - (K) each different Standard Private Omnibus Indirect Account For F&O;

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- ~~(L)~~ each different Standard TTFCA Omnibus Indirect Account For F&O;
- ~~(K)~~~~(M)~~ each different Standard TTFCA Private Omnibus Indirect Account For F&O;
- ~~(L)~~~~(N)~~ each different Standard Omnibus Indirect Account For CDS;
- ~~(M)~~~~(O)~~ each different Standard TTFCA Omnibus Indirect Account For CDS;
- ~~(N)~~~~(P)~~ each different Standard Omnibus Indirect Account For FX;
- ~~(O)~~~~(Q)~~ each different Standard TTFCA Omnibus Indirect Account For FX; and
- ~~(P)~~~~(R)~~ each different Segregated Gross Indirect Account.

The term "**Customer Account Contract**" means a Contract recorded in a Customer Position Account.

The term "**Customer Account Position**" means an Open Contract Position as recorded in a Customer Position Account, or any sub-account thereof.

The term "**Customer-Clearing Member Agreement**" has the meaning set out in the relevant Standard Terms.

The term "**Customer-CM Transaction**" means a Customer-CM CDS Transaction, Customer-CM F&O Transaction or Customer-CM FX Transaction.

The term "**Customer-CM CDS Transaction**" means a CDS transaction between a Non-FCM/BD Clearing Member and a Customer (or a Sponsor and Sponsored Principal) on economic terms similar to those of a corresponding CDS Contract recorded in one of a Clearing Member's Segregated Customer Omnibus Accounts For CDS, Segregated TTFCA Customer Omnibus Accounts For CDS, Margin-flow Co-mingled Accounts, Standard Omnibus Indirect Accounts For CDS, Standard TTFCA Omnibus Indirect Accounts For CDS or Segregated Gross Indirect Accounts (except, where applicable, the position of the CDS Clearing Member as protection buyer or protection seller and otherwise due to being governed by the CDS Standard Terms) or an Individually Segregated Sponsored Account (except as modified pursuant to Part 19 and, where applicable, the position of the Sponsor as protection buyer or protection seller and otherwise due to being governed by the CDS Standard Terms).

The term "**Customer-CM F&O Transaction**" means an F&O transaction between a Non-FCM/BD Clearing Member and a Customer (or a Sponsor and Sponsored Principal) on economic terms similar to those of a corresponding F&O Contract recorded in one of a Clearing Member's Segregated Customer Omnibus Accounts For F&O, Segregated TTFCA Customer Omnibus Accounts For F&O, Margin-flow Co-mingled Accounts, Standard Omnibus Indirect Accounts For F&O, Standard Private Omnibus Indirect Accounts For F&O, Standard TTFCA Omnibus Indirect Accounts For F&O, Standard TTFCA Private Omnibus Indirect Accounts For

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**F&O** or Segregated Gross Indirect Accounts (except, where applicable, the position of the F&O Clearing Member as Buying Counterparty or Selling Counterparty and otherwise due to being governed by the F&O Standard Terms) or an Individually Segregated Sponsored Account (except as modified pursuant to Part 19 and, where applicable, the position of the Sponsor as Buying Counterparty or Selling Counterparty and otherwise due to being governed by the F&O Standard Terms).

The term "**Customer-CM FX Transaction**" means an FX transaction between a Non-FCM/BD Clearing Member and a Customer (or a Sponsor and Sponsored Principal) on economic terms similar to those of a corresponding FX Contract recorded in one of a Clearing Member's Segregated Customer Omnibus Accounts For FX, Segregated TTFCA Customer Omnibus Accounts For FX, Margin-flow Co-mingled Accounts, Standard Omnibus Indirect Accounts For FX, Standard TTFCA Omnibus Indirect Accounts For FX or Segregated Gross Indirect Accounts (except, where applicable, the position of the CDS Clearing Member as Reference Currency Buyer or Reference Currency Seller and otherwise due to being governed by the FX Standard Terms) or an Individually Segregated Sponsored Account (except as modified pursuant to Part 19 and, where applicable, the position of the Sponsor as Reference Currency Buyer or Reference Currency Seller and otherwise due to being governed by the FX Standard Terms).

The term "**Customer-CM Collateral**" means collateral provided by a Customer to a Clearing Member as collateral for the Customer's obligations (or, where applicable, other obligations) to the Clearing Member under Customer-CM Transactions.

The "**Customer Margin Account**" forms part of a Customer Account and the term means an account with the Clearing House opened in the name of a Clearing Member for the recording of debits and credits of Margin in respect of Customer Account Contracts recorded in the related Customer Position Account, which may be divided for administrative convenience only into sub-accounts relating to different Customers or groups of Customers. In respect of an Individually Segregated Sponsored Account, the term includes a similar account of a Sponsored Principal which is linked to the relevant Individually Segregated Sponsored Account.

The "**Customer Position Account**" forms part of a Customer Account and the term means an account (if any) with the Clearing House opened in the name of a Clearing Member relating to Contracts to which the Clearing Member is a party as a result of it acting for one or more Segregated Customers and in which the Clearing House records such Contracts, which may be divided for administrative convenience only into sub-accounts (including, for the avoidance of doubt, CDS Sub-Accounts) relating to different Customers or groups of Customers. In respect of an Individually Segregated Sponsored Account, the term includes a similar position account of a Sponsored Principal which is linked to the relevant Individually Segregated Sponsored Account.

The term "**DCM Customer**" means any FCM/BD Customer with respect to any Contract arising as a result of a Transaction in U.S. Futures. A Person may be a DCM Customer in relation to certain Contracts and another category of FCM/BD Customer in relation to other Contracts.

The term "**DCM Customer Account**", in respect of an FCM/BD Clearing Member, means a kind of Customer Account with the Clearing House (in its capacity as a registered U.S. derivatives clearing organization clearing Contracts that are U.S. Futures), the books and records of which are

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and clearing agreements or arrangements between FCM/BD Clearing Members that are CDS Clearing Members and their Customers, as amended from time to time in accordance with the terms thereof.

The term "**Settlement Finality Directive**" means Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, and includes any national implementing measures in any member state of the European Economic Area.

The term "**Settlement Finality Regulations**" means the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.

The term "**Short**", in respect of an Option, refers to the positions of Persons against whom Options may be exercised.

The term "**Sponsor**" means a Clearing Member that has permission from the Clearing House to act as such, acting in its capacity as sponsor of an Individually Segregated Sponsored Account.

The term "**Sponsor Agreement**" means an agreement between a Sponsor and the Clearing House under which, *inter alia*, the Sponsor agrees to act as a Sponsor, the Sponsor agrees to be bound by and subject to these Rules in its capacity as such and pursuant to which the Sponsor nominates Sponsored Principals for whom it will act as Sponsor.

The term "**Sponsored Principal**" means the principal in respect of an Individually Segregated Sponsored Account. A Sponsored Principal must also be a client (as defined in EMIR) that is a Customer of the Sponsor and may be either a Segregated Customer or a Segregated TTFCA Customer.

The term "**Sponsored Principal Clearing Agreement**" means an agreement between a Sponsored Principal and the Clearing House under which, *inter alia*, the Sponsored Principal agrees to act as a Sponsored Principal and the Clearing House agrees to provide Clearing in respect of Contracts of the Sponsored Principal and the Sponsored Principal agrees to be bound by and subject to these Rules. Without prejudice to the generality of Rule 102(b) or to the effectiveness of any other agreement between the Clearing House and a Sponsored Principal, for the avoidance of doubt, for Sponsored Principals that have executed a Pledged Collateral Addendum, the relevant Sponsored Principal Clearing Agreement will be interpreted as amended by that Pledged Collateral Addendum.

The term "**Standard Omnibus Indirect Account**" means a Standard Omnibus Indirect Account for F&O, [Standard Private Omnibus Indirect Account For F&O](#), Standard TTFCA Omnibus Indirect Account for F&O, [Standard TTFCA Private Omnibus Indirect Account for F&O](#), Standard Omnibus Indirect Account for CDS, Standard TTFCA Omnibus Indirect Account for CDS, Standard Omnibus Indirect Account for FX or Standard TTFCA Omnibus Indirect Account for FX.

The term "**Standard Omnibus Indirect Account For CDS**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of CDS Contracts to which that Clearing Member is a party as a result of it acting for

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one or more Segregated Customers which have Indirect Clients, and related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in CDS Contracts held for the account of Segregated Customers solely in respect of transactions entered into by such Segregated Customers with Indirect Clients. A Standard Omnibus Indirect Account for CDS is intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Standard Omnibus Indirect Account For F&O**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of F&O Contracts to which that Clearing Member is a party as a result of it acting for one or more Segregated Customers which have Indirect Clients, and related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in F&O Contracts held for the account of Segregated Customers solely in respect of transactions entered into by such Segregated Customers with Indirect Clients. A Standard Omnibus Indirect Account for F&O is intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Standard Omnibus Indirect Account For FX**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of FX Contracts to which that Clearing Member is a party as a result of it acting for one or more Segregated Customers which have Indirect Clients, and related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in FX Contracts held for the account of Segregated Customers solely in respect of transactions entered into by such Segregated Customers with Indirect Clients. A Standard Omnibus Indirect Account for FX is intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Standard Payments Mechanism**" has the meaning set out in Rule 302(a).

The term "**Standard Private Omnibus Indirect Account**" means a Standard Private Omnibus Indirect Account For F&O or Standard TTFCFA Private Omnibus Indirect Account For F&O.

The term "**Standard Private Omnibus Indirect Account For F&O**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of F&O Contracts to which that Clearing Member is a party as a result of it acting for one or more Segregated Customers which have a group of Indirect Clients (such as, without limitation, Indirect Clients that are Affiliates of one another or Indirect Clients which are all funds managed by the same fund manager or fund managers that are Affiliates of one another), and

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related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in F&O Contracts held for the account of Segregated Customers solely in respect of transactions entered into by such Segregated Customers with such Indirect Clients. A Standard Private Omnibus Indirect Account For F&O is intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Standard Terms**" means CDS Standard Terms, F&O Standard Terms or FX Standard Terms.

The term "**Standard TTFCA Omnibus Indirect Account For CDS**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of CDS Contracts to which that Clearing Member is a party as a result of it acting for one or more Segregated TTFCA Customers which have Indirect Clients, and related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in CDS Contracts held for the account of Segregated TTFCA Customers solely in respect of transactions entered into by such Segregated TTFCA Customers with Indirect Clients. A Standard TTFCA Omnibus Indirect Account for CDS is intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Standard TTFCA Omnibus Indirect Account For F&O**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of F&O Contracts to which that Clearing Member is a party as a result of it acting for one or more Segregated TTFCA Customers which have Indirect Clients, and related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in F&O Contracts held for the account of Segregated TTFCA Customers solely in respect of transactions entered into by such Segregated TTFCA Customers with Indirect Clients. A Standard TTFCA Omnibus Indirect Account for F&O is intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Standard TTFCA Omnibus Indirect Account For FX**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of FX Contracts to which that Clearing Member is a party as a result of it acting for one or more Segregated TTFCA Customers which have Indirect Clients, and related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in FX Contracts held for the account of Segregated TTFCA Customers solely in respect of transactions entered into by such Segregated TTFCA Customers with Indirect Clients. A Standard TTFCA Omnibus Indirect Account for FX is

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intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Standard TTFCA Private Omnibus Indirect Account For F&O**" means a kind of Customer Account with the Clearing House opened in the name of a Non-FCM/BD Clearing Member for the recording of F&O Contracts to which that Clearing Member is a party as a result of it acting for one or more Segregated TTFCA Customers which have a group of Indirect Clients (such as, without limitation, Indirect Clients that are Affiliates of one another or Indirect Clients which are all funds managed by the same fund manager or fund managers that are Affiliates of one another), and related Margin (and in which no assets or positions relating to the Clearing Member's own account nor any assets or positions relating to the proprietary business of any Customer are recorded), enabling the Clearing Member to distinguish the assets and positions in F&O Contracts held for the account of Segregated TTFCA Customers solely in respect of transactions entered into by such Segregated TTFCA Customers with such Indirect Clients. A Standard TTFCA Private Omnibus Indirect Account for F&O is intended for usage as a "segregated account for the exclusive purpose of holding the assets and positions of the clearing member's indirect clients that are managed by the clearing member" for purposes of EMIR and MiFID II.

The term "**Strike Price**" in respect of an Option, means the price of the relevant Deliverable at which the Option may be or is exercised.

The term "**Summary Disciplinary Committee**" means a summary disciplinary committee established pursuant to Rule 1004(c).

The term "**Summary Disciplinary Process**" has the meaning set out in Rule 1008(a).

The term "**Surplus Collateral**" in respect of a Clearing Member, Sponsored Principal or particular Account or account for Guaranty Fund Contributions at any time, means any Permitted Cover transferred to the Clearing House that is not required to satisfy the current or most recently calculated applicable requirements in respect of Margin or Guaranty Fund Contributions at such time. For the avoidance of doubt, Swap Customer Excess Margin (as defined in Rule 1602) does not constitute Surplus Collateral, except as set out in Rule 1605(k)(viii).

The term "**Swap**" means (i) a "swap" as defined in the CEA and the Exchange Act, (ii) to the extent permitted to be held in an account with swaps (as defined in (i) above) under Applicable Law, a "security-based swap" as defined in the CEA and the Exchange Act, and (iii) Permitted Co-mingled Contracts recorded in a Swap Customer Account.

The term "**Swap Customer**", in respect of an FCM/BD Clearing Member, means any FCM/BD Customer with respect to any Contract arising as a result of the submission of CDS Trade Particulars or FX Trade Particulars that relates to a Swap. A Person may be a Swap Customer in relation to certain Contracts and another category of FCM/BD Customer in relation to other Contracts.

The term "**Swap Customer Account**", in respect of an FCM/BD Clearing Member, means a kind of Customer Account with the Clearing House (in its capacity as a registered U.S. derivatives clearing organisation clearing Swaps), the books and records of which are located in the United

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- (i) Customer Account of any class be used to meet a loss or shortfall on any of that Clearing Member's or Defaulter's Proprietary Accounts;
- (ii) particular Customer Account be used to meet a loss or shortfall on another of the same Clearing Member's or Defaulter's Customer Account;
- (iii) particular Proprietary Account be used to meet a loss or shortfall on another of the same Clearing Members' or Defaulter's Proprietary Accounts;

(which restrictions, for the avoidance of doubt, shall not apply to any Guaranty Fund Contribution or Assessment Contribution).

Without prejudice to the requirements of any Applicable Laws including, but not limited to, those relating to clients' money made under sections 138 and 139 of the FSMA, nothing in these Rules shall have the effect of enabling, requiring or implying that any Contracts recorded in a Clearing Member's or Defaulter's:

- (iv) Customer Account of any class be netted, combined or offset with any Contract recorded in any of that Clearing Member's or Defaulter's Proprietary Accounts;
- (v) particular Customer Account be netted, combined or offset with any Contract recorded in another Customer Account of the same Clearing Member or Defaulter;  
or
- (vi) particular Proprietary Account be netted, combined or offset with any Contract recorded in another Proprietary Account of the same Clearing Member or Defaulter;

(except as expressly provided under the Rules and to the extent permissible under Applicable Laws).

For the avoidance of doubt and ease of reference, the following provisions or documents relevant to asset and account segregation also apply in respect of each Segregated Customer Omnibus Account For CDS, Segregated Customer Omnibus Account For F&O, Segregated Customer Omnibus Account For FX, Standard Omnibus Indirect Account For F&O, Standard Private Omnibus Indirect Account For F&O, Standard Omnibus Indirect Account For CDS and Standard Omnibus Indirect Account For FX of each Clearing Member that is subject to CASS 7.18 of the FCA Rules, as well as each Individually Segregated Sponsored Account, Margin-flow Co-mingled Account and Segregated Gross Indirect Account of such a Clearing Member in respect of which the Clearing House gives an acknowledgement in accordance with paragraph (viii) below:

- (vii) the third and fourth sentences of clause 5.3 of the Clearing Membership Agreement (and equivalent provisions of the Sponsored Principal Clearing Agreement and Sponsor Agreement, if applicable); and
- (viii) any letter delivered to the Clearing House pursuant to CASS 7.18, where the Clearing House has countersigned the same and returned it to the Clearing Member.



## *Part 2 – Clearing Membership*

- (H) it is able promptly to review Circulars and other communications delivered or made available to the Clearing Member or its Representatives by the Clearing House;
- (xv) ensure that any power of attorney, appointment of any agent or Representative or other authorisation to transact business with the Clearing House given by a Clearing Member to any Person remains in effect on its original terms until not less than five Business Days after a written notice of change has been received by the Clearing House;
- (xvi) keep accurate records showing the details of each Transaction submitted for Clearing by or on behalf of such Clearing Member and such other information, in such form, as shall be required by the Clearing House from time to time and in accordance with Applicable Laws and Accounting Standards;
- (xvii) gather and make available to the Clearing House basic information to identify, monitor and manage relevant concentrations of risk relating to the provision of services to Customers;
- (xviii) upon request, inform the Clearing House about the criteria and arrangements adopted by it to allow clients access to Clearing with the Clearing House;
- (xix) participate in default management simulations, new technology testing and other exercises, as notified by the Clearing House from time to time;
- (xx) be responsible for ensuring that Customers comply with their obligations in the manner set forth in the Rules and Standard Terms;
- (xxi) if it is subject to CASS 7.18 of the FCA Rules, deliver to the Clearing House, in the format required under CASS 7.18, a letter in respect of each of its Segregated Customer Omnibus Accounts for CDS, Segregated Customer Omnibus Accounts for F&O, Segregated Customer Omnibus Accounts for FX, Standard Omnibus Indirect Accounts for CDS, Standard Omnibus Indirect Accounts for F&O, Standard Private Omnibus Indirect Account For F&O and Standard Omnibus Indirect Accounts for FX, as well as each Individually Segregated Sponsored Account, Margin-flow Co-mingled Account and Segregated Gross Indirect Account which is treated by it as a client transaction account under CASS 7.18;
- (xxii) during and for two hours immediately prior to the start of, and immediately after the end of, Opening Hours on every Business Day, be (and have sufficient persons competent to act on behalf of the Clearing Member) accessible to the Clearing House; and
- (xxiii) without prejudice to Rule 202(a)(xiii), give such other access to the Clearing House (or any Person appointed by it) to its premises, records and personnel (or those of its Affiliates or service providers) to conduct any inspection, investigation or audit and allow the Clearing House or such Person to take copies of the accounts, books, contracts and any other records or documents of the Clearing Member, in order to

## *Part 2 – Clearing Membership*

- (xv) take any action or make any omission or knowingly or recklessly permit the use of its services, facilities or membership or clearing privileges by any Person in a manner which in the reasonable opinion of the Clearing House is liable to:
  - (A) bring the Clearing House or any of its Clearing Members into disrepute;
  - (B) impair the dignity or degrade the good name of the Clearing House;
  - (C) create or maintain or exacerbate actual or attempted breaches, infringements, manipulations or violations of the Rules (or arrangements, provisions or directions made or given thereunder) or market practice; or
  - (D) otherwise be substantially detrimental to the interests or welfare of the Clearing House;
- (xvi) engage in conduct that would render it unable to satisfy the membership criteria in Rule 201(a), Rule 201(i) or Rule 201(j) (in the case of Rule 201(i), only if it is a CDS Clearing Member, and in the case of Rule 201(j), only if it is an FX Clearing Member) or obligations on Clearing Members under Rule 202(a) or otherwise;
- (xvii) knowingly, negligently, recklessly or carelessly allow any Representative to engage in any conduct that might itself breach these Rules or render it unable to satisfy the membership criteria in Rule 201(a), Rule 201(i) or Rule 201(j) (in the case of Rule 201(i), only if it is a CDS Clearing Member and in the case of Rule 201(j), only if it is an FX Clearing Member);
- (xviii) assign any of its rights or transfer by novation any of its rights and obligations under these Rules to a third party (or purport to do so) unless the Clearing House provides its prior written consent (which consent shall not unreasonably be withheld or delayed);
- (xix) breach any Contract Terms;
- (xx) if it is subject to CASS 7.18 of the FCA Rules, deliver any letter to the Clearing House in the manner referred to in Rule 102(q)(viii) in respect of any Proprietary Account, Segregated TTFCA Customer Omnibus Account For CDS, Segregated TTFCA Customer Omnibus Account For F&O, Segregated TTFCA Customer Omnibus Account For FX, Standard TTFCA Omnibus Indirect Account For CDS, Standard TTFCA Omnibus Indirect Account For F&O, Standard TTFCA Private Omnibus Indirect Account for F&O or Standard TTFCA Omnibus Indirect Account For FX;
- (xxi) if (A) it is a CDS Clearing Member incorporated in Germany; or (B) in relation to a Customer Account transaction of any CDS Clearing Member where the Customer is incorporated in Germany: submit any CDS Transaction Particulars for clearing or enter into any CDS Contract which would take place in circumstances where the CDS Clearing Member would be in breach of Rule 201(a)(xxx), Rule 405(a)(xi) or Rule 1901(d)(xii) but for the exceptions therein relating to Applicable Laws

#### *Part 4 – Clearing Mechanism*

- (A) a Segregated TTFCA Customer Omnibus Account For FX if the client chooses omnibus account segregation and has not requested use of an Omnibus Margin-flow Co-mingled Account;
- (B) an Individually Segregated Sponsored Account if the client chooses individual client segregation and has been admitted to the Clearing House as a Sponsored Principal;
- (C) an Individually Segregated Margin-flow Co-mingled Account if the client chooses individual client segregation and has not been admitted to the Clearing House as a Sponsored Principal;
- (D) an Omnibus Margin-flow Co-mingled Account if the client chooses omnibus client segregation but requests to do so only as part of a particular group of Customers,

and in either case the Contract shall be recorded by the Clearing House in accordance with such designation;

- (xiii) if it is a Non-FCM/BD Clearing Member, as a clearing member in relation to a transaction or transactions connected with the provision of services to one or more Segregated Customers which is in turn providing services to one or more Indirect Clients in respect of F&O Contracts, in which case the Contract shall be designated by the Clearing Member in accordance with Rule 401(g) as for:
  - (A) a Segregated Gross Indirect Account, if the Customer has communicated to the Clearing Member that the Indirect Client has elected to use such an account; or
  - (B) otherwise, a Standard Omnibus Indirect Account For F&O or Standard Private Omnibus Indirect Account for F&O,

and in either case the Contract shall be recorded by the Clearing House in accordance with such designation;

- (xiv) if it is a Non-FCM/BD Clearing Member, as a clearing member in relation to a transaction or transactions connected with the provision of services to one or more Segregated TTFCA Customers which is in turn providing services to one or more Indirect Clients in respect of F&O Contracts, in which case the Contract shall be designated by the Clearing Member in accordance with Rule 401(g) as for:
  - (A) a Segregated Gross Indirect Account, if the Customer has communicated to the Clearing Member that the Indirect Client has elected to use such an account; or
  - (B) otherwise, a Standard TTFCA Omnibus Indirect Account For F&O or Standard TTFCA Private Omnibus Indirect Account for F&O,

## Part 5 – Margin

Cover, except as expressly provided pursuant to these Rules (including Rule 1603(f)) or any Pledged Collateral Addendum or as mandated pursuant to Applicable Law;

- (iii) such Permitted Cover is provided on the basis that it may be used by the Clearing House and applied in accordance with these Rules;
- (iv) the Clearing Member will not claim that any transfer of Permitted Cover to or use of Permitted Cover by the Clearing House in accordance with the Rules or the relevant Clearing Membership Agreement is contrary to or in breach of any requirement of Applicable Law, third party right or other contractual obligation (provided that the Clearing House does not cause such breach by amending these Rules);
- (v) the Clearing Member is not in breach of any of its contractual obligations or regulatory requirements under MiFID II or other Applicable Laws towards any third party as a result of the transfer of Permitted Cover to the Clearing House (provided that the Clearing House does not cause such breach by amending these Rules) or its collection from or receipt of any assets from its clients; and
- (vi) if it is subject to CASS 7.18 of the FCA Rules:
  - (A) its Segregated Customer Omnibus Accounts For CDS, Segregated Customer Omnibus Accounts For F&O, Segregated Customer Omnibus Accounts For FX, Standard Omnibus Indirect Accounts for CDS, Standard Omnibus Indirect Accounts for F&O, Standard Private Omnibus Indirect Accounts for F&O and Standard Omnibus Indirect Accounts for FX only contain cash where the corresponding cash claim or receivable in the hands of the Clearing Member is treated by the Clearing Member as a client money claim or receivable and only contain non-cash assets (resulting from a transfer into the account by the Clearing Member) which the Clearing Member was entitled to treat as client assets prior to their transfer to the Clearing House;
  - (B) each of its Individually Segregated Sponsored Accounts, Margin-flow Co-mingled Accounts and Segregated Gross Indirect Accounts in respect of which a letter has been delivered to the Clearing House pursuant to Rule 102(q)(viii) only contain cash where the corresponding cash claim or receivable in the hands of the Clearing Member is treated by the Clearing Member as a client money claim or receivable and only contain non-cash assets (resulting from a transfer into the account by the Clearing Member) which the Clearing Member was entitled to treat as client assets prior to their transfer to the Clearing House; and
  - (C) none of its Customer Accounts or Proprietary Accounts other than such Accounts as are mentioned in paragraphs (A) or (B) contain any cash where the corresponding cash claim or receivable in the hands of the Clearing

**Part 9 – Default Rules**  
**Rule 906 – Net Sums Payable**

- ~~(xiii)~~(xiv) each of the Defaulter's Standard Private Omnibus Indirect Accounts For F&O, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xiv)~~(xv) each of the Defaulter's Standard TTFCA Omnibus Indirect Accounts For F&O, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xvi)~~ each of the Defaulter's Standard TTFCA Private Omnibus Indirect Accounts For F&O, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xv)~~(xvii) each of the Defaulter's Standard Omnibus Indirect Accounts For CDS, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xvi)~~(xviii) each of the Defaulter's Standard TTFCA Omnibus Indirect Accounts For CDS, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xvii)~~(xix) each of the Defaulter's Standard Omnibus Indirect Accounts For FX, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xviii)~~(xx) each of the Defaulter's Standard TTFCA Omnibus Indirect Accounts For FX, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xix)~~(xxi) each of the Defaulter's Segregated Gross Indirect Accounts, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account; and
- ~~(xx)~~(xxii) each Individually Segregated Sponsored Account of the Defaulter or for which the Defaulter acted as Sponsor, including, and in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account;
- ~~(xxi)~~(xxiii) each of the Defaulter's Proprietary Accounts, including, in respect of each such Account, the Contracts, rights, obligations and liabilities relating to each such Account not falling under Rule 906(b)(i) to (xxii).

Each Clearing Member shall be deemed to represent, warrant and agree on an ongoing basis that, if it were to become a Defaulter, any net sums to be determined in accordance with paragraphs (i) to (xxi) above do not: (aa) (in relation to a Defaulter that has a Customer Account) involve any setting off against each other of positions and assets recorded in any of the Defaulter's Customer Accounts against any of the Defaulter's Proprietary Accounts or any other Customer Account of that Defaulter, in any circumstances which would contravene section 182A of the Companies Act 1989; (bb) (in relation to a Defaulter with