



eurex clearing circular 040/15

Date: 9 April 2015
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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Amendments to the Clearing Conditions, Conditions for Utilization of the Eurex Trade Entry Services and Price List, addition of new fund jurisdictions under the Individual Clearing Model (ICM)

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Content may be most important for:

☞ All departments

Attachments:

Amended sections of the following rules and regulations:

1. Clearing Conditions for Eurex Clearing AG
2. Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation)
3. Price List for Eurex Clearing AG

Summary:

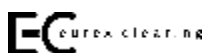
This circular contains information with respect to amendments to the Clearing Conditions for Eurex Clearing AG (Clearing Conditions), the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) and Price List for Eurex Clearing AG regarding the following topics:

1. Correction of supported payment periods for Overnight Index Swaps
2. Adjustment of the re-evaluation date for the Clearing Fund Contribution
3. Responsibility for the calculation of EONIA
4. Increase of Minimum Block Trade Size for Flexible Options contracts on Euro-Bund, Euro-Bobl and Euro-Schatz futures
5. ETFs denominated and settled in Offshore Chinese renminbi

In addition, this circular provides information on the extension of the service offering to investment funds in further jurisdictions in the Individual Clearing Model (ICM) under number 6.

The amended sections of the Clearing Conditions, Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) and Price List for Eurex Clearing AG, as decided by the Executive Board of Eurex Clearing AG, are attached to this circular.

All amendments will come into effect on **4 May 2015**.



Amendments to the Clearing Conditions, Conditions for Utilization of the Eurex Trade Entry Services and Price List, addition of new fund jurisdictions under the Individual Clearing Model (ICM)

This circular contains information with respect to amendments to the Clearing Conditions for Eurex Clearing AG (Clearing Conditions), the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation), hereafter referred to as "Conditions for Utilization", and Price List for Eurex Clearing AG (Price List) regarding the following topics:

1. Correction of supported payment periods for Overnight Index Swaps
2. Adjustment of the re-evaluation date for the Clearing Fund Contribution
3. Responsibility for the calculation of EONIA
4. Increase of Minimum Block Trade Size for Flexible Options contracts on Euro-Bund, Euro-Bobl and Euro-Schatz futures
5. ETFs denominated and settled in Offshore Chinese renminbi

In addition, this circular provides information on the extension of the service offering to investment funds in further jurisdictions in the Individual Clearing Model (ICM) under number 6.

The amended sections of the Clearing Conditions, Conditions for Utilization and Price List, as decided by the Executive Board of Eurex Clearing AG, are attached to this circular.

All amendments will come into effect on 4 May 2015.

1. Correction of supported payment periods for Overnight Index Swaps

For Overnight Index Swaps, payment periods supported by Eurex Clearing are monthly, quarterly, semi-annual and annual payments, or a single payment at maturity. This is correctly stated in the English version of the Clearing Conditions. However, the German version wrongly states that only annual payments or a payment at maturity are possible. Therefore, the German version has to be amended by aligning it with the English version.

The following provision in the German version of the Clearing Conditions will be amended:

- Chapter VIII Part 2 Number 2.1.4.1 Paragraph (10)

2. Adjustment of the re-evaluation date for the Clearing Fund Contribution

The Clearing Fund requirement is usually updated for all Clearing Members by the end of each calendar quarter. Furthermore, Eurex Clearing reserves the right to recalculate the Clearing Fund Contribution on an extraordinary basis (in addition to the regular quarter end update). The amendment will clearly state the right to extraordinary recalculations.

The following provision in the Clearing Conditions will be amended:

- Chapter I Part 1 Number 6.1.1 Paragraph (2)

3. Responsibility for the calculation of EONIA

For clarification reasons, it will be defined in the Clearing Conditions that the responsibility for the calculation of EONIA lies with the European Central Bank (ECB) and not with the European Money Market Institute (EMMI).

The following provision in the Clearing Conditions will be amended:

- Chapter II Part 2 Number 2.2.2

4. Increase of Minimum Block Trade Size for Flexible Options contracts on Euro-Bund, Euro-Bobl and Euro-Schatz futures

In May 2014, the Minimum Block Trade Size for options on Bund, Bobl and Schatz futures has been increased.

Technically, this amendment was applied to options contracts and to Flexible Options contracts on Euro-Bund, Euro-Bobl and Euro-Schatz futures. However, these amendments were not implemented for Flexible Options in the Conditions for Utilization. Therefore, respective amendments in aforementioned document are required.

The following provision in the Conditions for Utilization will be amended:

- Number 9.6

5. ETFs denominated and settled in Offshore Chinese renminbi

In preparation for the planned launch of Exchange Traded Funds (ETFs) denominated and settled in Offshore Chinese renminbi, listed at Frankfurter Wertpapierbörse (FWB[®], the Frankfurt Stock Exchange) and cleared at Eurex Clearing, amendments to the Price List are required.

As of 4 May 2015, the amended Price List will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Price list

6. Extension of the Individual Clearing Model (ICM) offering to investment funds in further jurisdictions

The ICM offering will be extended to investment funds in Sweden and Denmark.

In this context, the Clearing Conditions will not be amended. The extension is mentioned for information purposes only.

As of 4 May 2015, further information can be found on the Eurex Clearing website under the following link:

Risk management > Client Asset Protection > Jurisdictions

Also as of 4 May 2015, the amended Clearing Conditions and Conditions for Utilization will be available for download on the Eurex Clearing website under the following link:

Resources > Rules and Regulations > Clearing Conditions

Pursuant to Chapter I Part 1 Number 17.2.3 of the Clearing Conditions, the changes and amendments to the Clearing Conditions communicated with this circular are deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer unless they object in writing to Eurex Clearing prior to the actual effective date of such change and amendment of the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License according to Chapter I Part 1 Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions remains unaffected.

Pursuant to Number 16 Paragraph 3 of the Price List, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing AG within ten (10) business days after publication.

If you have any questions or require further information, please contact Trading & Clearing Services at tel. +49-69-211-1 17 00 or send an e-mail to memberservices@eurexclearing.com.

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

[...]

Part 2 Clearing of Futures Contracts

[...]

2.2 Clearing of Money Market Futures contracts

[...]

2.2.2 Final Settlement Price

[...]

- (2) With respect to EONIA Futures contracts, the final settlement price will be determined by Eurex Clearing AG in Euro at the final settlement day of a contract after 7 p.m. CET on the basis of the average of the effective interest rates for overnight deposits calculated by the European ~~Central Bank~~ Money Market Institute over the Accrual Period of the relevant EONIA Futures contract; where “**Accrual Period**” means, with respect to an EONIA Futures contract, the period of time corresponding to the term of the EONIA Futures contract determined by the Eurex Exchanges. The average will be calculated taking into account the compound interest effect after 7 p.m. CET on the final settlement day.

The final settlement price (“**FSP**”) shall be determined pursuant to the following formula.

$$FSP=100-\left[\frac{360}{N}\left(\prod_{i=1}^M\left(1+\frac{F_i*wi}{360}\right)-1\right)\right]*100\right]$$

Where:

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“**Fi**” means with respect to any Observation Day in the Accrual Period, the EONIA interest rate (expressed as an percentage) calculated and published (through any such publication channel that Eurex Clearing AG deems appropriate) by the European ~~Central Bank~~Money Market Institute for such Observation Day.

“**i**” means a series of whole numbers from one (1) to M, each representing the relevant Observation Days in chronological order from, and including, the first Observation Day in the relevant Accrual Period.

“**M**” means the number of Observation Days in the Accrual Period.

“**N**” means the number of calendar days in the Accrual Period.

“**Observation Days**” means each day for which the EONIA interest rate is calculated and published by the European- ~~Central Bank~~Money Market Institute.

“**wi**” means, with respect to any EONIA interest rate F_i , the number of calendar days in the period from, and including, the Observation Day to which such EONIA interest rate F_i relates to, but excluding, the immediately following Observation Day.

Subject to and in accordance with the above formula, (i) all EONIA reference interest rates which were calculated by the European ~~Central Bank~~Money Market Institute during the term of a period of time determined by the Eurex Exchanges of the Futures Contract shall contribute to the calculation of the average and (ii) for Saturdays, Sundays and holidays or any other day for which the European ~~Central Bank~~Money Market Institute does not calculate a EONIA interest rate, the EONIA interest rate calculated by the European ~~Central Bank~~Money Market Institute for the previous day, will form the basis of the calculation.

[...]

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[...]

Chapter I General Provisions

[...]

Part 1 General Clearing Provisions

[...]

6.1 Contributions to the Clearing Fund

6.1.1 Contributions and Calculation of the Contributions to the Clearing Fund

- (1) Notwithstanding any Margin Requirement applicable to the Clearing Member in accordance with the Clearing Conditions, each Clearing Member holding a Clearing License for Transactions within the scope of the Clearing Fund shall pay contributions to the Clearing Fund as further set out in this Number 6 (each such contribution to the Clearing Fund a "**Contribution**").
- (2) Eurex Clearing AG shall from time to time determine the amount of the Contribution to be paid and maintained by a Clearing Member (the "**Contributions Requirement**") in accordance with the relevant applicable calculation method published by Eurex Clearing AG pursuant to Number 16.1 (the "**Contributions Calculation Method**"); any such published Contributions Calculation Method shall form part of the Clearing Conditions.

Basis for the calculation of the Contributions Requirement of a Clearing Member to the Clearing Fund are all concluded Transactions of such Clearing Member within the scope of the Clearing Fund. Eurex Clearing AG ~~may~~ will re-evaluate and adjust the Contributions Requirement for each Clearing Member any time and will at least do so by the end of each calendar quarter in accordance with the relevant Contributions Calculation Method.

- (3) The obligation to make Contributions becomes first due and payable as of the date of the granting of the first Clearing License and thereafter whenever Eurex Clearing AG has made an adjustment to the Contributions Requirement of the relevant Clearing Member.

[...]

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[...]

9.6 Flexible Options and Flexible Futures Trade Service

Eurex Clearing AG has admitted the following products to the Flexible Options and Flexible Futures Trade Service. Eurex Clearing AG can in individual cases, depending on the type of settlement of the respective contracts suspend the admission to or limit the availability of these facilities for certain products.

[...]

I. Flexible Eurex Options Contracts

Minimum number of contracts to be traded

[...]

Options contracts on a Euro-Bund Future (OGBL) 50100

Options contracts on a Euro-Bobl Future (OGBM) 50200

Options contracts on a Euro-Schatz Future (OGBS) 50300

[...]

[...]

CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

6. Transaction Fees of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse, FWB) ¹

[...]

6.1 Clearing Fees

[...]

6.1.1 Xetra transactions in Shares and Other Non-Fixed Income Securities

[...]

Fixed and Value-based Clearing Fee for Xetra Transactions in Shares and Other Non-Fixed Income Securities not denominated in EUR

Transactions	Fixed fee per same-day executed order or entry	Value-based fee	Maximal value for value-based fee calculation
[...]			
Denominated in CHF	CHF 0.04	0.0008%	CHF 700,000.00
<u>Denominated in CNY</u>	<u>CNY 0.21</u>	<u>0.0008 %</u>	<u>CNY 3,500,000.00</u>
Denominated in GBP	GBP 0.03	0.0008%	GBP 450,000.00
[...]			

¹ Number 6 as well as the other provisions of the Price List shall also apply mutatis mutandis to the clearing of transactions concluded on the Stock Exchange Düsseldorf, which correspond to the characteristics of the transactions concluded on the Frankfurt Stock Exchange described in Chapter V of the Clearing Conditions and which are included in the clearing process performed by Eurex Clearing AG.

Price List for Eurex Clearing AG

The value-based fee per same-day executed order or per entry is limited insofar as a maximal value is assumed per same-day executed order or entry according to the chart above.

6.1.2 Xetra Frankfurt Specialist transactions in Shares and Other Non-Fixed Income Securities

[...]

Fixed and Value-based Clearing Fee for Xetra Frankfurt Specialist Transactions in Shares and Other Non-Fixed Income Securities

Transactions	Fixed fee per same-day executed order or entry	Value-based fee	Maximal value for value-based fee calculation
[...]			
Denominated in CHF	CHF 0.08	0.0008%	CHF 700,000.00
<u>Denominated in CNY</u>	<u>CNY 0.42</u>	<u>0.0008%</u>	<u>CNY 3,500,000.00</u>
Denominated in EUR	EUR 0.06	0.0008%	EUR 500,000.00
[...]			

[...]

8. Service Fees Eurex Deutschland and Eurex Zürich, Eurex Bonds GmbH, Eurex Repo GmbH, Frankfurt Stock Exchange (FWB) and Securities Lending Transactions

[...]

[...]

8.2 Special Service Fees Frankfurter Wertpapierbörse

8.2.1 Service Fees for Provision of Gross Delivery Management

[...]

8.2.1.1 Gross Delivery Management without Netting Agreement (“Full Service”) for Transactions in Shares and Other Non-Fixed Income Securities

The provision fees “Full Service” shall be charged once per executed order and day, irrespective of the number of (partial) executions of the respective order and any different execution prices. The value-based fee per same-day executed order or per entry is limited insofar as a maximal value is assumed per same-day executed order or entry.

Provision Fees “Full Service” for transactions in shares and other non-fixed income securities held in collective safe custody (CSC) and in non-collective safe custody (NCSC)					
Transactions	Fixed Fee per Executed Order respectively Entry ²		Value-Based Fee per executed Order respectively Entry		Maximal Value for value-based Fee Calculation
	CSC	NCSC	CSC	NCSC	
[...]					
Denominated in CHF	CHF 0.12	CHF 0.24	0.0003%	0.0006%	CHF 700,000.00
<u>Denominated in CNY</u>	<u>CNY 0.60</u>	<u>CNY 1.20</u>	<u>0.0003 %</u>	<u>0.0006%</u>	<u>CNY 4,000,000.00</u>
Denominated in EUR	EUR 0.09	EUR 0.18	0.0003%	0.0006%	EUR 500,000.00
[...]					

[...]

12. Due Dates

[...]

- (4) Transaction fees according to Number 5, Number 6 and Number 9 in the currencies CNY, SEK, JPY, AUD and CAD are charged to the Clearing Member in EUR, USD, CHF or GBP. The Clearing Member is obligated to give notice in which of such currencies the transaction fees shall be charged (invoice currency). The invoice currency may be changed by the Clearing Member at any time. When issuing the invoice, the invoice currency which the Clearing Member has indicated until the last calendar day of the invoice month shall be considered. In case the Clearing Member does not indicate an invoice currency, ECAG is authorized to issue the invoice in EUR, USD, CHF or GBP.

[...]

[...]

² For FWB transactions concluded by the Xetra BEST facility and booked in the A-Account of an Order Flow Provider or the E-Account of a BEST Executors, the fixed fee per executed orders does not apply.