

FCM Default Rules of Eurex Clearing AG

As of 01.07.2024

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

4 Default Management Process

[...]

4.3 Establishment of FCM Clearing Member Transactions by way of independent trades or by conducting DM Auctions

[...]

4.3.3 The following provisions apply to FCM Clearing Members in respect of DM Auctions that relate to Terminated FCM Clearing Member Transactions that are Interest Rate Derivative Transactions or to Terminated Clearing Member Transactions that are OTC Interest Rate Derivative Transactions:

[...]

- (3) Each FCM Mandatory Participant is obliged to submit one Bid (each a “**Mandatory Bid**”) for the respective Auction Unit with respect to all currencies for which such FCM Mandatory Participant holds an FCM Clearing License, subject to the DM Auction Rules.

“**Bid**” has the meaning assigned to such term in the DM Auction Rules.

Each Mandatory Bid is generally valid, and the highest valid Bid shall be accepted by Eurex Clearing AG as the winning Bid with respect to each Auction Unit.

Eurex Clearing AG will classify the Mandatory Bids into one of the two following categories:

- (a) The Mandatory Bid qualifies as “**Sufficient Bid**”, if the Mandatory Bid is equal to or higher than the Juniorisation Threshold.~~the difference between such Mandatory Bid and the winning Bid with respect to the relevant Auction Unit (the “**Sufficient Bid Threshold**”) is equal to or smaller than the product of (i) 0.5 and (ii) the Initial Margin requirement for all DM Auction Transactions in the relevant Auction Unit (the “**Auction Unit Margin Amount**”).~~
- (b) The Mandatory Bid qualifies as “**Insufficient Bid**”, if the Mandatory Bid is smaller than the Juniorisation Threshold.~~the difference between such Mandatory Bid and the winning Bid with respect to the relevant Auction Unit (the~~

“Insufficient Bid Threshold” is larger than the product of (i) 1.5 and (ii) the Auction Unit Margin Amount.

“Juniorisation Threshold” means the amount determined by Eurex Clearing AG for the relevant Auction Unit, which is the difference of (i) the lower of (I) the winning Bid for the relevant Auction Unit or (II) the Mid-Market Value of all DM Auction Transactions forming part of the relevant Auction Unit, and (ii) the higher of (I) the Initial Margin requirement for all DM Auction Transactions forming part of the relevant Auction Unit or (II) the amount of EUR 3,000,000.

“Mid-Market Value” means the current market value of all DM Auction Transactions forming part of the relevant Auction Unit as determined by Eurex Clearing AG immediately prior to the relevant Commencement Time as specified in the Specific Auction Terms of the relevant DM Auction. The calculation of the Mid-Market Value follows the same principles Eurex Clearing AG applies for the calculation of the daily valuation prices in accordance with the provisions under Chapter II Part 2 Number 2.1.6 of the FCM Regulations.

- (c) The Mandatory Bid qualifies as a **“Medium Bid”**, if the difference between such Mandatory Bid and the winning Bid with respect to the relevant Auction Unit is (i) larger than the Sufficient Bid Threshold and (ii) equal to or smaller than the Insufficient Bid Threshold.

[...]

- (5) ~~If a FCM Mandatory Participant (i) submits a Medium Bid for the relevant Auction Unit in accordance with this Number 4.3.3 and the DM Auction Rules or (ii) if such FCM Mandatory Participant has appointed a Selected Auction Participant, its Selected Auction Participant submits a Medium Bid in accordance with this Number 4.3.3 and the DM Auction Rules, such FCM Mandatory Participant qualifies as FCM Non-Bidding Participant subject to the following provisions:~~

~~—If, following a Realization Event with respect to the relevant Affected Clearing Member or the relevant Affected FCM Clearing Member (but not with respect to any other Realization Event), Contributions of Non-Affected FCM Clearing Members and Non-Affected Clearing Members are realised, the Contributions of such FCM Non-Bidding FCM Clearing Member with respect to the relevant Liquidation Group submitting at least one Medium Bid (or for which any of their Selected Auction Participants has submitted a Selected Auction Participant Medium Bid) shall in such DM Auction be realised, in accordance with Number 3.2.1, prior to the Contributions of the other Non-Affected FCM Clearing Members and the other Non-Affected Clearing Members, up to an amount which shall be calculated by Eurex Clearing AG as follows: the difference between (i) the winning Bid minus the product of 0.5 and the Auction Unit Margin Amount and (ii) the respective Medium Bid (or Selected Auction Participant Medium Bid), such difference divided by the Auction Unit Margin Amount and subsequently multiplied by the relevant FCM Mandatory Participant's Contributions.~~

— Any remainder of the Contributions of the FCM Mandatory Participant submitting a Medium Bid (or whose Selected Auction Participant has submitted a Selected Auction Participant Medium Bid) shall be considered as Contributions of a Non-Affected FCM Clearing Member that is not a FCM Non-Bidding Participant.

— "**Selected Auction Participant Medium Bid**" means a Bid by a Selected Auction Participant that, if such Bid were a Mandatory Bid, would qualify as a Medium Bid.

(56) [...]

[...]
