

Eurex Clearing AG
ECAG Rule Certification 057-24
August 7, 2024

1. The text of the proposed amendments to the Clearing Conditions (“Clearing Conditions”) of Eurex Clearing AG (“Eurex Clearing”) is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation is September 2, 2024.
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

In compliance with EMIR Article 1 (4) and (5), Eurex Clearing may exempt certain Public Entities from certain Clearing License requirements in rare cases and applying very strict criteria. For the sake of transparency, Eurex Clearing stipulates the main exemption criteria in its Clearing Conditions. For instance, Eurex Clearing requires at least an AA- rating for certain Public Entities to be eligible for margin or Default Fund exemptions. The proposed 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.

Further information regarding the operation, purpose, and effect of the proposed amendments is discussed in Eurex Clearing Circular 057-24, which is 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 C (Participant and Product Eligibility): The proposed amendments will comply with DCO Core Principle C because the amendments clarify the exemption provisions for Public Entities, and Eurex Clearing will continue to have appropriate admission and continuing eligibility standards in compliance 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: August 7, 2024

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

[!\[\]\(ab4e2b3fc7e7887b7a72f548aa6f5e60_img.jpg\) Attachment to Eurex Clearing Circular 057/24](#)

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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)~~ 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) have available Securities Accounts pursuant to Number 2.1.2 Paragraph (4);
- ~~(c)~~ pay Contributions to the Default Fund pursuant to Number 2.1.2 Paragraph (5) (d);
- (d) meet margin requirements pursuant to Number 3 for specific Transaction Types; and/or to
- (e) 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).

[...]

- (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.

[...]

[...]
