

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

Clearing of OTC Interest Rate Derivative Transactions, and OTC NDF Transactions

As of 18.11.2024

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Provisions

[...]

1.2 Conclusion of Transactions

[...]

1.2.3 Novation Criteria

- (1) Eurex Clearing AG will accept an Original OTC Transaction for inclusion in the Clearing in accordance with the novation process if all of the following novation criteria are fulfilled:

[...]

7. The Original OTC Transaction that is transmitted to the system of Eurex Clearing AG in order to be novated into an OTC Interest Rate Derivative Transaction or OTC NDF Transaction must be of a product type recognised by Eurex Clearing AG as published on the Eurex Clearing Website and provided for in Part 2 or Part 5 (the "**Product Type**");

[...]

12. Original OTC Transactions may, subject to further restrictions set out in the systems of Eurex Clearing AG, also be transmitted to Eurex Clearing AG as a package containing either a certain number of single Original OTC Interest Rate Derivative Transactions or a certain number of single Original OTC NDF Transactions ("**Package Original OTC Transactions**"). Each Original OTC Transaction contained in the Package Original OTC Transactions transmitted to Eurex Clearing AG needs to fulfil the novation criteria contained in this Number 1.2.3 (1). In case one or more Original OTC Transaction does not fulfil the novation criteria of this Number 1.2.3 (1), Eurex Clearing AG shall reject all Original OTC Transactions contained in the Package Original OTC Transactions. For the purpose of Package Original OTC Transactions, the assessment in accordance with Part 1 Number 1.2.3 (1) Clause 8 whether the Clearing Member or ISA Direct Clearing Member has delivered sufficient Eligible Margin Assets is performed on a net basis across all such Original OTC Transactions contained in the Package Original OTC Transactions.

[...]

13. For Original OTC Interest Rate Derivative Transactions transmitted to Eurex Clearing AG separately during one Business Day, which contain the same ID and size specification as other Original OTC Interest Rate Derivative Transactions, the requirements of Number 1.2.3 (1) lit. 12 subparagraph 1 sentence 2 to 4 and subparagraph 2 apply accordingly. In deviation from Number 1.2.2, the legal effectiveness of the novation of CCP Transactions resulting from such Original OTC Interest Rate Derivative Transactions will be subject to the following additional condition precedent (aufschiebende Bedingung) that all relevant OTC Trade Novation Reports relating to all CCP Transactions resulting from such Original OTC Interest Rate Derivative Transactions have been made available to the relevant Clearing Member or ISA Direct Clearing Member (or Clearing Agent acting on behalf of the ISA Direct Clearing Member).

[...]

1.2.4 Special Provisions with respect to the Conclusion of CCP Transactions

[...]

- (4) The Clearing Member and the ISA Direct Clearing Member acknowledge that Eurex Clearing AG does not assume any liability vis-à-vis them

[...]

- (ii) if the Trade Record or Trade ~~Economic's~~Economics Request has not been initiated by the Clearing Member, the ISA Direct Clearing Member or DC With System Access/Basic DC,

[...]

1.2.6 Specific Provisions with respect to the Novation of CCP Transactions resulting out of Post-Trade Events

[...]

- (2) If a post-trade event pursuant to Part 2 Number 2.6 or 2.7 or Part 5 Number 5.3 or 5.4 would lead to a novation resulting in a CCP Transaction, and all novation criteria are fulfilled except for the requirement to provide sufficient Eligible Margin Assets, the submission for novation will be pending and will remain included in the daily novation process until the end of the relevant Business Day, provided that if, prior to the end of such Business Day, further Eligible Margin Assets are provided, novations reflecting such Eligible Margin Assets will occur and at the time and in the order determined by Eurex Clearing AG's systems. At the end of each Business Day, all submissions for ~~novations~~novation that are still pending and do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets, will be rejected. For the avoidance of doubt, this shall mean that the relevant CCP

Transactions existing prior to such intended post-trade event will remain in place and no novation pursuant to the relevant post-trade event will take place.

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.3 Interest Rate Derivative Clearing License

The OTC Clearing License granted for the Clearing of OTC Interest Rate Derivative Transactions (the “**Interest Rate Derivatives Clearing License**”) entitles

[...]

- (iii) the relevant ISA Direct Clearing Member to clear OTC Interest Rate Derivative Transactions that are Own Transactions under the ISA Direct Provisions.

[...]

The holder of an Interest Rate Derivatives Clearing License may additionally clear zero coupon inflation swaps (“**ZCIS**”) and standard coupon inflation swaps (“**SCIS**”) if the following requirements are met:

- (a) The relevant Clearing Member or ISA Direct Clearing Member has elected to clear ZCIS and/or SCIS on the (i) ~~ZCIS on the~~ indices HICPxT and FRCPIx (EUR inflation), (ii) ~~SCIS on the index HICPxT (EUR inflation)~~ and/or (iii) ~~ZCIS on the~~ UK-RPI index (GBP inflation); and

[...]

2.1.5 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

[...]

2.1.5.1 Transaction Type Specific Novation Criteria and Terms for OTC Interest Rate Derivative Transactions

[...]

- (2) Currencies

The currency must be

[...]

(v) for SCIS: EUR or GBP.

[...]

(4) Maximum remaining term / Termination Date

The remaining term of the OTC Interest Rate Derivative Transaction from the date of novation to the Termination Date must be

[...]

(e) in case of ZCIS,

(i) for transactions in EUR (index FRCPIx), no more than 30 years and 10 Business Days;

[...]

(iii) ~~for~~ transactions in GBP (index UK-RPI), no more than 50 years and 10 Business Days.

(f) in case of SCIS,

(i) for transactions in EUR (index FRCPIx), no more than 30 years and 10 Business Days;

(ii) for transactions in EUR (index HICPxT), no more than 50 years and 10 Business Days; and

(iii) for transactions in GBP (index UK-RPI), no more than 50 years and 10 Business Days.

[...]

(7) Shortened or extended calculation period (stub period)

In case of IRS (including basis swaps), SCIS and OIS, a non-standard shortened or extended calculation period ("**Interest Rate Stub Period**") that relates to a time period after novation, if any, must meet the following criteria:

(a) a short or long first calculation period ("**Interest Rate Front Stub Period**") and/or a short or long last calculation period ("**Interest Rate Back Stub Period**") may be specified for IRS, SCIS and OIS per leg, provided that:

[...]

(b) The minimum period length of short Interest Rate Stub Periods is one day. The maximum period length for long Interest Rate Stub Periods for both, fixed rate payments under IRS in any eligible currency, and OIS is not restricted. The maximum period length for long Interest Rate Stub Periods is one year and one month for floating rate payments under IRS (including basis swaps) in EUR and

under basis swaps in USD. For floating rate payments under IRS in CZK, DKK, HUF, NOK and PLN, the maximum length for long Interest Rate Stub Periods is seven months and for floating rate payments under IRS (excluding basis swaps) in SEK the maximum length for long Interest Rate Stub Periods is four months. For floating rate payments under SCIS in EUR and GBP the maximum length for long Interest Rate Stub Periods is one year and one month.

- (c) For IRS and SCIS floating payments, the floating rates for Interest Rate Stub Periods must be specified in the Trade Record submitted via the ATS as follows:

[...]

- (bb) if a floating rate index tenor is specified, which is used for the fixing in respect of the Interest Rate Stub Period, the respective tenors. The following tenors (W = week(s), M = month(s), Y = year) are eligible:

(aaa) For IRS

- (i) in case the currency is EUR: 1W, 1M, 3M, 6M, 1Y;
- (ii) in case the currency is DKK: 1W, 1M, 3M, 6M;
- (iii) in case the currency is NOK: 1W, 1M, 2M, 3M, 6M;
- (iv) in case the currency is PLN: 1W, 2W, 1M, 3M, 6M;
- (v) in case the currency is SEK: 1W, 1M, 2M, 3M.

(vi) in case the currency is CZK or HUF: 1W, 2W, 1M, 2M, 3M, 6M

(bbb) For SCIS in case the currency is GBP or EUR: 1W, 1Y.

Only neighboring tenors of the Interest Rate Stub Period length are allowed (e.g. 3M or 6M for Interest Rate Stub Period length 3M+1W); or

[...]

(8a) Floating Rate Options

For IRS, OIS, FRA, the following Floating Rate Options are eligible (where applicable, the relevant Designated Maturity needs to be specified) subject to further provisions:

Floating Rate Options (major currencies)
[...]
USD-LIBOR (also referred to as USD-LIBOR-BBA);

Floating Rate Options (major currencies)
[...]

[...]

[...]

For ZCIS and SCIS, the following indices are eligible:

Indices
FRCPIx (for ZCIS in trade currency EUR);
HICPxT (for ZCIS and SCIS in trade currency EUR);
UK RPI (for ZCIS in trade currency GBP);

[...]

2.1.7 Margin Requirements

[...]

(4) [...]

(b) The relevant indices to determine the PAI are:

[...]

(vii) In case the currency is DKK then ~~T/N (the rate for tomorrow next deposits in Danish Krone as published by the Danish Financial Benchmark Facility)~~ DESTR (Denmark Short-Term Rate);

[...]

2.2 Product-related terms for OTC Interest Rate Derivative Transactions

[...]

2.2.5 Rates for calculating the Floating Amount

(1) Subject to Number 1.8, when calculating the Floating Amounts, the applicable Relevant Rate will be determined by Eurex Clearing AG on the basis of the Floating Rate Option label (and Designated Maturity, where applicable) as specified in the OTC Trade Novation Report in accordance with the following matrix (the “**Floating Rate Matrix**”):

Floating Rate Option: label specified in the OTC Trade Novation Report	Category / style	Underlying index and index administrator	Designated Maturity	Fixing Time (unless specified otherwise in the OTC Trade Novation Report)	Fixing Day (unless specified otherwise in the OTC Trade Novation Report)	Floating Rate Day Count Fraction	Rounding
[...]							
USD-LIBOR (or USD-LIBOR-BBA)	Category: Screen Rate Style: Term Rate	Index: U.S. Dollar LIBOR Index Administrator: ICE Benchmark Administration Ltd.	Applicable	11:55, London time	2 London Business Days preceding the Reset Date	As specified in the OTC Trade Novation Report	
[...]							

[...]

2.7 Transfer of OTC Interest Rate Derivative Transactions, Account Transfer and Trade Amendment

[...]

- (3) The transfer of an OTC Interest Rate Derivative Transaction will be performed against payment of a cash settlement amount in the amount of calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.6) the net present value of each transferred OTC Interest Rate Derivative Transaction. For the transferring Clearing Member, ISA Direct Clearing Member or FCM Clearing Member the net present value is the difference between zero and the daily evaluation price (as set out in Number 2.1.6) of the preceding Business Day. For the receiving Clearing Member, ISA Direct Clearing Member or FCM Clearing Member the net present value is the difference between the daily evaluation price of the day of the transfer and zero. Furthermore, the relevant Clearing Member(s) or ISA Direct Clearing Member(s) or FCM Clearing Member(s) may specify in the system of Eurex Clearing AG an additional amount payable by the relevant other Clearing Member, ISA Direct Clearing Member or FCM Clearing Member in connection with the transfer (in each case, as separately agreed between the relevant transferor and transferee). Furthermore, Eurex Clearing AG offers a functionality that allows Clearing Member(s) or ISA Direct Clearing Member(s) or FCM Clearing Member(s) to request an adjustment of the net present value calculated on the day of the transfer of the OTC Interest Rate Derivatives Transaction. Upon request of both, the transferring and the receiving Clearing Member, ISA Direct Clearing Member or FCM Clearing Member, Eurex Clearing AG

will perform an adjustment of the net present value of the transferred OTC Interest Rate Derivative Transaction by adding an amount equal to the amount of the daily evaluation price of the Business Day preceding the day of the transfer and of the received OTC Interest Rate Derivative Transaction by deducting an amount equal to the amount of the daily evaluation price of the Business Day preceding the day of the transfer. All amounts payable under this Paragraph (3) will be settled via Eurex Clearing AG.

[...]

- (8) For a transfer of an OTC Interest Rate Derivative Transaction or an account transfer, Eurex Clearing AG may, subject to further restrictions set out in the systems of Eurex Clearing AG, offer a bulk transfer of two or more OTC Interest Rate Derivative Transactions (portfolio transfer) so that the check in accordance with Part 1 Number 1.2.3 (1) Clause 8 whether the Clearing Member or ISA Direct Clearing Member has delivered sufficient Eligible Margin Assets is performed on a net basis across all such OTC Interest Rate Derivative Transactions.
- (9) Any transfer of an OTC Interest Rate Derivative Transaction and/or any account transfer is subject to the following conditions:
- (i) the beneficial owner for whose account the OTC Interest Rate Derivative Transaction was originally concluded does not change due to the transfer;;
 - (ii) the entities to which the OTC Interest Rate Derivative Transaction affected by the transfer relates before and after the transfer are affiliates;
 - (iii) the transfer is carried out to implement an asset purchase deal;
 - (iv) the transfer is related to an acquisition, merger, consolidation or similar non-recurring transaction between two or more Clearing Members, Direct Clients or Indirect Clients and/or;
 - (v) the transfer is executed to correct an erroneous booking or for account management purposes (such as bunched order allocation) as described in Number 2.7.2.1.

By entering a transfer order into the systems of Eurex Clearing AG, the respective Clearing Member, ISA Direct Clearing Member or DC with System Access (acting on behalf of the Clearing Member) represents and warrants that the transfer of the OTC Interest Rate Derivatives Transaction fulfills one of the conditions stipulated in (i) to (v).

[...]

2.7.2 Account Management or Account Transfers

[...]

- (2) Such bookings may also be made with respect to part of an OTC Interest Rate Derivative Transaction except for IRS with a notional, fixed rate or floating rate

spread schedule in which case only the entire OTC Interest Rate Derivative Transaction may be booked in accordance with Paragraph (1).

[...]

Part 5 Clearing of OTC NDF Transactions

[...]

5.4 Transfer of OTC NDF Transactions, Account Transfer and Trade Amendment

[...]

- (3) The transfer of a OTC NDF Transaction will be performed against payment of a cash settlement amount in the amount of the net present value of each transferred OTC NDF Transaction. For the transferring Clearing Member or ISA Direct Clearing Member the net present value is the difference between zero and the daily evaluation price calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 5.1.6) of the preceding Business Day. For the receiving Clearing Member or ISA Direct Clearing Member the net present value is the difference between the daily evaluation price of the day of the transfer and zero. Furthermore, ~~the~~ The relevant Clearing Member(s) or ISA Direct Clearing Member(s) may specify in the system of Eurex Clearing AG an additional amount payable by ~~a~~ the relevant other Clearing Member or ISA Direct Clearing Member in connection with the transfer (in each case, as separately agreed between the relevant transferor and transferee). Furthermore, Eurex Clearing AG offers a functionality that allows Clearing Member(s) or ISA Direct Clearing Member(s) to request an adjustment of the net present value calculated on the day of the transfer of the OTC NDF Transaction. Upon request of both, the transferring and the receiving Clearing Member or ISA Direct Clearing Member, Eurex Clearing AG will perform an adjustment of the net present value of the transferred OTC NDF Transaction by adding an amount equal to the amount of the daily evaluation price of the Business Day preceding the day of the transfer and of the received OTC NDF Transaction by deducting an amount equal to the amount of the daily evaluation price of the Business Day preceding the day of the transfer. All amounts payable under this Paragraph (3) will be settled via Eurex Clearing AG. All amounts payable under this Paragraph (3) will be settled via Eurex Clearing AG.

[...]

- (8) For a transfer of an OTC NDF Transaction or an account transfer, Eurex Clearing AG may, subject to further restrictions set out in the systems of Eurex Clearing AG, offer a bulk transfer of two or more OTC NDF Transactions (portfolio transfer) so that the check in accordance with Part 1 Number 1.2.3 (1) Clause 8 whether the Clearing Member or Basic Clearing Member has delivered sufficient Eligible Margin Assets is performed on a net basis across all such OTC NDF Transactions.

(9) Any transfer of an OTC NDF Transaction and/or any account transfer is subject to the following conditions:

- (i) the beneficial owner for whose account the OTC NDF Transaction was originally concluded does not change due to the transfer;
- (ii) the entities to which the OTC NDF Transaction affected by the transfer relates before and after the transfer are affiliates;
- (iii) the transfer is carried out to implement an asset purchase deal;
- (iv) the transfer is related to an acquisition, merger, consolidation or similar non-recurring transaction between two or more Clearing Members, Direct Clients or Indirect Clients and/or;
- (v) the transfer is executed to correct an erroneous booking or for account management purposes (such as bunched order allocation) as described in Number 2.7.2.1.

By entering a transfer order into the systems of Eurex Clearing AG, the respective Clearing Member, ISA Direct Clearing Member or DC with System Access (acting on behalf of the Clearing Member) represents and warrants that the transfer of the OTC NDF Transaction fulfills one of the conditions stipulated in (i) to (v).

[...]
