

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

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

As of 17.06.2024

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Provisions

[...]

1.2 Conclusion of Transactions

[...]

1.2.4 Special Provisions with respect to the Conclusion of CCP Transactions

- (1) If (A) in the case of OTC Interest Rate Derivative Transactions, the Clearing Member or, if applicable, the ISA Direct Clearing Member holds an Interest Rate Derivatives Clearing License or (B) in the case of OTC NDF Transactions, the Clearing Member holds an OTC Currency Products Clearing License, the Clearing Member or, if applicable, the ISA Direct Clearing Member (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ATS, and (ii) confirms that it has appointed the relevant ATS to receive trade communications and generate and send trade communications to Eurex Clearing AG for the Clearing Member or, if applicable, the ISA Direct Clearing Member. Eurex Clearing AG may rely on such trade communications. The Clearing Member and the ISA Direct Clearing Member authorize Eurex Clearing AG to submit information on the trade economics of selected OTC Interest Rate Derivate Transactions to the relevant ATS. Eurex Clearing AG will provide the ATS after validation of a respective request sent on behalf of the ~~FCM-Clearing Member~~ or the ISA Direct Clearing Member with the requested trade economics of the selected OTC Interest Rate Derivative Transaction ("**Trade Economic's Request**"). The ~~FCM-Clearing Member~~ or the ISA Direct Clearing Member may revoke such authorization vis-à-vis Eurex Clearing AG.

[...]

1.8 Index-related Provisions

[...]

1.8.1 Index Correction and Index Rebasing

[...]

(3) Notwithstanding Number 2.2.5, with respect to HICPxT, FRCPIx and UK RPI such inflation indices are from time to time subject to a rebasing event (Inflation Index Rebasing Event) of the index reference period in case of a major methodological change of the index or on a regular basis as announced by the Index Administrator. For the avoidance of doubt, if an Inflation Index Rebasing Event takes place, Eurex Clearing AG shall automatically rebase all transactions effected by the Inflation Index Rebasing Event in accordance with the methodology provided by the Index Administrator.

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.3 Interest Rate Derivative Clearing License

[...]

(iii) [...]

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 ~~whether to clear (i) ZCIS on the indices HICPxT and FRCPI (EUR inflation), whereas for EUR inflation it is not possible to elect only one of the two inflation indexes but only both together~~ (i) SCIS on the index HICPxT (EUR inflation) and/or (ii) ZCIS on the UK-RPI index (GBP inflation); and
- (b) The OTC Clearing License of the Clearing Member or ISA Direct Clearing Member covers the currencies elected for the clearing of ZCIS and SCIS.

[...]

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

[...]

(1) Categories of OTC Interest Rate Derivative Transactions

The OTC Interest Rate Derivative Transaction must be

[...]

(iv) an inflation swap (including ZCIS and SCIS)~~ZCIS~~ and,
in each case, a Product Type recognised by Eurex Clearing AG.

(2) Currencies

The currency must be

[...]

(iii) for OIS: CHF, EUR, GBP, DKK, JPY or USD; ~~and~~

(iv) for ZCIS: EUR or GBP; and

(v) for SCIS: EUR.

[...]

(3) Payment types

The payments by the parties must be of the following types:

[...]

(d) (in case of SCIS only) Fixed Rate or Fixed Amount versus the Floating Amount based on the performance of the corresponding inflation index.

Payments of any amounts due under IRS, ZCIS, SCIS or OIS (other than fees) must be in arrears (and not prior to or at the beginning of a calculation period).

Fees or other payments are defined at contract conclusion. The fees must be in trade currency.

[...]

(b) For ZCIS and SCIS, in case of a termination, fees are settled one day after the termination date. In case of maturity, fees are settled on the maturity date.

[...]

(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

[...]

(f) in case of SCIS,

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

(5) Minimum remaining term

In case of IRS, OIS, SCIS and ZCIS, the minimum period between the date of novation and the Termination Date must be at least one Business Day for CHF, EUR, GBP, USD and PLN and two Business Days for JPY, CZK, DKK, HUF, NOK or SEK.

[...]

(8a) Floating Rate Options

[...]

For ZCIS and SCIS, the following indices are eligible:

Indices
[...]
HICPxT (for ZCIS <u>and SCIS</u> in trade currency EUR);
[...]

[...]

(8d) Fixing Day offset

[...]

(d) for ZCIS and SCIS: 2 to 12 whole months

(9) Fixed Amounts

[...]

Fixed Rates for IRS, OIS, SCIS, ZCIS and FRA can have any value specified by up to 10 decimal points and may be less than zero, equal to zero or greater than zero.

[...]

(9a) Delayed Payments

Delayed Payments (also called payment lags or payment offsets and which shall be interpreted in accordance with Section 3.1.9 of the 2021 ISDA Definitions) may be specified within the following parameters:

[...]

(d) for ZCIS and SCIS: 0 Business Days.

(10) Spreads

For IRS, ZCIS, SCIS, OIS (but not for FRAs), spreads may be specified for the floating leg(s) and/or fixed leg.

IRS and SCIS (but not ZCIS, OIS or FRA) may have a floating leg and/or fixed leg spread schedule, i.e. the spread applicable to the floating leg and/or fixed leg may vary across the calculation periods relative to their value in the relevant preceding calculation period provided that any such change to the spread may only occur at the start of the relevant calculation period and must be pre-determined and specified in the Trade Record submitted via the ATS. Spread schedules are not eligible for zero coupon payments or payments made on a compounding basis.

(11) Calculation periods

The calculation period(s) for payment(s) of floating amounts and/or fixed amounts (other than stub periods covered by Paragraph (7)) under the relevant OTC Interest Rate Derivative Transaction must be:

[...]

(f) for SCIS: monthly, quarterly, semi-annually, annually

[...]

(12) Notional amount

[...]

Except for ZCIS, SCIS and FRA, the notional amounts can be different for each swap leg and may vary across the calculation periods relative to their value in the relevant preceding calculation period. The changes in notional can only take place at the start of the calculation periods and must be pre-determined and specified in the Trade Record submitted via the ATS. Changes in the notional amount across calculation periods may not be specified for ZCIS, SCIS and FRA.

[...]

(19) Effective Date

IRS, OIS, SCIS and FRA may have an Effective Date at present (spot starting), in the future (forward starting) or in the past (backloading). ZCIS may only be spot starting and starting in the past.

[...]

(22) Special eligibility criteria for SCIS

For SCIS, the initial index level must be specified. Further, the inflation index fixing lag and the inflation index interpolation method shall be specified.

~~(232)~~ [...]

(243) [...]

(254) [...]

2.2 Product-related terms for OTC Interest Rate Derivative Transactions

[...]

2.2.5 Rates for calculating the Floating Amount

[...]

(6) Floating Rates for ZCIS and SCIS

[...]

2.5 Interest Rate Derivatives Multilateral Compression

(1) Eurex Clearing AG may from time to time agree with one or more Clearing Members and/or FCM Clearing Members on the amendment and/or termination of CCP Transactions and/or Swap Transactions that are OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions (as defined in Chapter I Number 1.1.5 of the FCM Regulations) and their subsequent replacement with other (and/or the conclusion of new) CCP Transactions and/or Interest Rate Derivative Transactions, respectively, with the aim to reduce non-market risks in the existing portfolios of the Clearing Members and/or FCM Clearing Members (a “**Interest Rate Derivatives Multilateral Compression**”). Interest Rate Derivatives Multilateral Compression with respect to a Clearing Member ~~may only~~ includes CCP Transactions that are Own Transactions and Client-Related Transactions, regardless of whether the relevant Clearing Member has made an IRS STM Election.

[...]
