

Chapter II of the Clearing Conditions of Eurex Clearing AG

# Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 01.08.2022

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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[...]

## **Part 2 Clearing of Futures Contracts**

[...]

### **2.3 Clearing of Fixed Income Futures Contracts**

[...]

#### **2.3.1 Delivery and Payment Procedures**

All physical deliveries shall be made versus payment (*Zug-um-Zug*) within the settlement period determined by Eurex Clearing AG on the second Business Day after the notification day (Number 2.3.4 ~~Paragraph (2)~~) unless otherwise specified.

The Settlement Claims (as defined in Chapter I Part 1 Number 1.3) shall be settled via a Settlement Location and the payments shall be settled via the respective account determined by the respective Settlement Location.

All Clearing Members and Eurex Clearing AG must ensure that the transaction can be handled on that Business Day when the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments by having sufficient credit balances (i) in their account at the respective custody institution; (ii) on the RTGS Account or the euroSIC Account for ~~euro-fixed~~ Fixed Income Futures Contracts denominated in EUR; and (iii) on the SIC Account for CONF-Futures Contracts.

~~If the second Business Day after the notification day is a Business Day following Labour Day (1 May) and if, with respect to the security to be delivered, a corporate action pursuant to Chapter V Part 2 Number 2.3 is to be carried out on one of these holidays, all physical deliveries and payments shall be made on the next following Business Day~~

[...]

### 2.3.3 Tender Price

The tender price shall equal the nominal value of the contract, multiplied with the final settlement price of the respective contract, multiplied with the conversion factor of the tendered debt security (*Anleihe*), plus the interest accrued since the last interest payment date.

### 2.3.4 Fulfilment, Delivery

(1) A delivery obligation arising out of a short position in a ~~Euro-fixed income~~ Fixed Income Futures Contract may only be performed with debt securities ~~as determined by Eurex Clearing AG which fulfil the criteria set out in Number 1.2.2 of the Eurex Contract Specifications. For delivery, debt securities denominated in EUR with a fixed coupon of Germany (for Euro-Schatz-, Euro-Bobl-, Euro-Bund and Euro-Buxl Futures Contracts), of the Republic of Italy (for Shortterm Euro-BTP-Futures Contracts, Mid term Euro-BTP-Futures Contracts and Euro-BTP-Futures Contracts), of the Republic of France (for Euro-OAT-Futures Contracts and Mid-Term Euro-OAT-Futures Contracts) and of the Kingdom of Spain (for Euro-BONO-Futures Contracts) can be chosen with a remaining uncallable term of:~~

- ~~1.75 up to 2.25 years and an original term of no longer than eleven years for Euro-treasure Futures Contracts;~~
- ~~4.5 up to 5.5 years and an original term of no longer than eleven years for Euro-Bobls Futures Contracts;~~
- ~~8.5 up to 10.5 years and an original term of no longer than eleven years for Euro-federal Futures Contracts;~~
- ~~24 up to 35 years for Euro-Buxl Futures Contracts;~~
- ~~2 up to 3.25 years and (for Futures Contracts with an expiry in March 2021 or later) an original term of no longer than 16 years for Short-term Euro-BTP-Futures Contracts;~~
- ~~4.5 up to 6 years and an original term of no longer than 16 years for Mid-term Euro-BTP-Futures Contracts;~~
- ~~8.5 up to 11 years and an original term of no longer than 16 years for Euro-BTP-Futures Contracts;~~
- ~~8.5 up to 10.5 years and an original term of no longer than 17 years for Euro-OAT-Futures Contracts;~~
- ~~4.5 up to 5.5 years and an original term of no longer than 17 years for Mid-Term Euro-OAT Futures Contracts; and~~

- ~~8.5 up to 10.5 years and an original term of no longer than 20 years for all Euro-BONO Futures Contracts prior to the September 2018 expiry. All Euro-BONO Futures Contracts from (for the avoidance of doubt, including) the September 2018 expiry onwards will have an original term no longer than 15 years.~~
  - ~~The debt securities of the Federal Republic of Germany until and including the December 2020 contract expiry have to possess a minimum issuance volume of EUR 5 billion, with the introduction of the March 2021 contract expiry, the debt securities of the Federal Republic of Germany have to possess a minimum issuance volume of EUR 4 billion. Debt securities of the Republic of Italy, the Republic of France and the Kingdom of Spain have to possess a minimum issue volume of EUR 5 billion. Debt securities of the Republic of Italy and the Kingdom of Spain have to possess a minimum issuance volume of EUR 5 billion no later than 10 exchange days prior to the last trading day of the current due month (Number 1.2.4 of the Eurex Contract Specifications), otherwise, they shall not be deliverable until the delivery day of the current due month. Debt securities of the Republic of Italy that are explicitly issued as 'BTP Futura' shall not be deliverable under Short term Euro-BTP-Futures Contracts, Mid term Euro-BTP-Futures Contracts and Euro-BTP-Futures Contracts.~~
  - ~~A delivery obligation arising out of a short position in a CONF Futures Contract may only be performed with obligations as determined by Eurex Clearing AG. Obligations of the Swiss Confederation denominated in Swiss Francs with a remaining term of at least eight years up to 13 years at most can be chosen. For obligations with early redemption option, the first and last possible redemption date at the point of delivery of the contract must be between eight and 13 years. The obligations must possess a minimum issuance volume of CHF 500 million.~~
- (2) Two Business Days prior to the tenth calendar day of a quarter month (notification day), the Clearing Members with open short positions must indicate the type of debt securities ~~bonds~~ they will deliver to Eurex Clearing AG after transaction closing until the end of the post-trading full-period. Existing delivery notifications can be changed until closing of the post-trading full period. If a delivery notice is not made in time, Eurex Clearing AG determines the debt securities ~~bonds~~ to be delivered by the Clearing Member. The actual amount of notified debt securities have to be confirmed by Clearing Members vis-à-vis Eurex Clearing AG one day prior to the delivery day.
  - (3) After the end of the post-trading period on the Notice Day, Eurex Clearing AG shall allocate to the Clearing Members with open long positions the debt securities ~~bonds~~ notified for delivery, using a selection procedure that ensures the neutrality of the allocation process. The Clearing Members will be informed on the next Business Day as to which debt securities ~~bonds~~ were allocated to them and at what tender.

[...]

### 2.3.5 Failure to Deliver

- (1) In the event that a Clearing Member fails to deliver the ~~debt securities bonds~~ to be delivered notified by it on the delivery day (as per Number 2.3.1) according to the instructions of Eurex Clearing AG during the delivery times determined for the delivery day (as published by Eurex Clearing AG on the Eurex Clearing Website), Eurex Clearing AG shall be entitled to take the following measures:
- Eurex Clearing AG is entitled to obtain by means of securities lending the notified ~~debt securities bonds~~ and deliver them to the Clearing Member which did not receive delivery in time.
  - Eurex Clearing AG is entitled to designate from the basket of deliverable ~~debt securities bonds~~ other than those notified as ~~debt securities bonds~~ to be delivered and to deliver such ~~debt securities bonds~~ to the Clearing Member which did not receive delivery in time. The Clearing Member in default has to deliver the ~~debt securities bonds~~ designated by Eurex Clearing AG. Eurex Clearing AG is entitled to obtain the notified ~~debt securities bonds~~ by means of securities lending and deliver them to the Clearing Member which did not receive delivery in time.
  - In the event that the ~~debt securities bonds~~ to be delivered are not delivered to Eurex Clearing AG as part of the standard transfer arrangement of the respective Settlement Location by the 5<sup>th</sup> Business Day after the delivery day, Eurex Clearing AG shall be entitled to make a replacement purchase with respect to the undelivered ~~debt securities bonds~~. Such purchase constitutes a buy-in as referred to in Chapter I Part 1 Number 1.4.4 (1), which shall be applicable with respect to the purchase.

Eurex Clearing AG will deliver the ~~debt securities bonds~~ acquired through such replacement transaction to the Clearing Member which did not receive delivery in time.

[...]

- (4) In case of a failure to deliver ~~debt securities bonds~~, the Clearing Member shall pay a contractual penalty in accordance with the following provisions:
- (a) If a Clearing Member fails to deliver ~~debt securities bonds~~ on the delivery day until 14:15 CE(S)T, but is able to deliver such ~~debt securities bonds~~ until the respective End-of-Settlement time (as published by Eurex Clearing AG on the Eurex Clearing Website) ("**Settlement Cut-Off Time**"), such Clearing Member shall pay to Eurex Clearing AG a contractual penalty in the amount of 0.04 per cent of the nominal value of the non- delivered ~~debt securities bonds~~.
  - (b) If a Clearing Member fails to deliver ~~debt securities bonds~~ on the delivery day until the respective Settlement Cut-Off Time, such Clearing Member shall pay to Eurex Clearing AG a contractual penalty for the period from the delivery day (whereby the delivery day will be taken into account for the calculation) to the

earlier of (i) the date of actual delivery or (ii) the date of a replacement purchase (whereby such earlier date will not be taken into account for the calculation).

Such contractual penalty shall be the sum of the Penalty Amount and the Interest of Delay.

“**Penalty Amount**” shall amount to 0.40 per cent of the nominal value of the non-delivered bonds per Business Day,

“**Interest of Delay**” shall mean an amount per each calendar day, on which no delivery of the ~~debt securities bonds~~ has occurred, calculated as a percentage of the counter value of the non-delivered bonds.

Such percentage shall be determined by Eurex Clearing AG in advance and shall be based- on ~~(i) (I) in case of Euro fixed Futures Contracts, the effective rate for the marginal lending facility of the European Central Bank (as published or referred to on its website) plus 100 basis points, or (ii), -and (II) in case of with respect to CONF Futures Contracts, the effective rate for the liquidity-shortage financing facility of the Swiss National Bank (as published or referred to on its website) plus 100 basis points. The afore-mentioned interest rates are published on the websites of the European Central Bank and the Swiss National Bank respectively.~~

- (c) Eurex Clearing AG will pay any Interest Of Delay it has received from the Clearing Member, which failed to deliver the ~~debt securities bonds~~, to the Clearing Member, which is entitled to receive the ~~debt securities bonds~~.
- (d) For the avoidance of doubt, the provisions of this Number 2.3.5 ~~Paragraph (4)~~ shall apply in addition to Chapter I Part 1 Number 14.2.

[...]

- (6) If on a delivery day only a partial delivery of debt securities occurs, the Paragraphs above shall apply accordingly with regard to the outstanding partial deliveries. Due to different average price calculation of the T2S system and the system of Eurex Clearing AG concerning partial deliveries, it may occur for incomplete deliveries on the delivery day, that the Clearing Member obliged to deliver is credited an amount which, in total, exceeds the selling price. Eurex Clearing AG shall notify the Clearing Member obliged to deliver accordingly and is authorised to debit any exceeding amounts accordingly and to credit these amounts to the buyer. The Clearing Member obliged to deliver must ensure that a respective amount is available on its relevant RTGS Account or euroSIC Account.
- ~~(7) Eurex Clearing AG will not assert the contractual penalty if securities are not delivered on the first Business Day following Labour Day (1 May) and if, with respect to these securities, a corporate action pursuant to Chapter V Part 2 Number 2.3 is to be carried out on one of these holidays.~~

~~(87)~~ Any amount received as a contractual penalty under this Number 2.3.5 by Eurex Clearing AG from a Clearing Member shall be deducted from any potential claim for compensation Eurex Clearing AG may assert against the relevant Clearing Member.

~~2.3.6~~ **Corporate Actions**

~~In case of corporate actions on underlyings whose delivery has not yet been effected, the regulations pursuant to Chapter V Part 2 Number 2.3 shall apply accordingly.~~

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