

clear to trade



eurex clearing circular 075/15

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Authorized by: Thomas Laux

EurexOTC Clear: Availability of Zero Coupon Inflation Swaps in production

Related Eurex Clearing circulars: 107/13, 142/14, 017/15, 021/15

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Content may be most important for:

☞ All departments

Attachments:

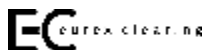
Updated sections of the following rules and regulations:

1. Clearing Conditions for Eurex Clearing AG
 2. Price List for Eurex Clearing AG
- and
3. EurexOTC Clear Product List

Summary:

We would like to inform our Members that Eurex Clearing has received regulatory approval to act as CCP (Central Counterparty) under the European Market Infrastructure Regulation (EMIR) for **Zero Coupon Inflation Swaps (ZCIS)**.

Hence, Eurex Clearing will expand its EurexOTC Clear IRS product scope to include Zero Coupon Inflation Swaps, effective **3 August 2015**.



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EurexOTC Clear: Availability of Zero Coupon Inflation Swaps in Production

We would like to inform our Members that Eurex Clearing has received regulatory approval to act as CCP (Central Counterparty) under the European Market Infrastructure Regulation (EMIR) for Zero Coupon Inflation Swaps (ZCIS).

Hence, Eurex Clearing will expand its EurexOTC Clear IRS product scope to include ZCIS, effective 3 August 2015.

1. Product specification

In general, ZCIS have the same characteristics as Interest Rate Swaps, but reference to a different underlying, namely an inflation index. ZCIS will be available for the *Harmonised Index of Consumer Prices of the Euro Zone excluding Tobacco* (HICPxT), the *French Consumer Price Index excluding Tobacco* (FRCPIx) and for the *UK Retail Price Index* (UK RPI). As part of its EurexOTC Clear Service, Eurex Clearing supports ZCIS with the following characteristics:

Supported products specification at go-live	
Product type	Zero Coupon Inflation Swap
Underlying instruments	HICPxT (Euro Zone) FRCPIx (France) UK RPI (UK)
Trade currency	EUR (HICPxT, FRCPI) GBP (UK-RPI)
Start dates	Spot Starting (HICPxT / FRCPIx: T+2d; UK RPI: T+0d) Past Starting (novation)
Max. maturities	UK RPI: 50 years HICPxT / FRCPIx: 30 years

The EurexOTC Clear Product List has been amended accordingly and is available for download in the Member Section of the Eurex Clearing website www.eurexclearing.com under the path:

Member Section > Technology > EurexOTC Clear > Interest Rate Swaps > IRS Release 5.1 > Functional Manual

2. Margining methodology for Zero Coupon Inflation Swaps (ZCIS)

Variation margin and price alignment interest (PAI) of ZCIS are based on daily mark-to-market valuation of portfolios (as for OTC IRS). The initial margin for the joint IRS/ZCIS Liquidation Group covers potential future losses (with effective confidence level of 99.5 percent) and comprises the following components:

- 5-day liquidation horizon in case of a Clearing Member default (i.e. hedging/auctioning)
- Market risk: 5-day value-at-risk (VaR) methodology via filtered historical simulation
- Correlation break adjustment (model adjustment)
- Historical stressed period VaR flooring on a common set of stressed period scenarios for inflation and IRS
- Liquidity adjustment reflects hedging costs in case of a Clearing Member default (no netting of hedging costs across IRS and inflation trades) and is sensitive to concentrations in the cleared portfolios.

ZCIS are already reflected in the functional and technical manuals. The latest versions are published in the [Member Section](#) of the Eurex Clearing website under the path:

[Member Section](#) > [Technology](#) > [EurexOTC Clear](#) > [Interest Rate Swaps](#) > [IRS Release 5.1](#)

3. Member Quote Provision

It is planned to include swap quotes provided by Clearing Members in the daily mark-to-market and risk calculations. The date at which swap quote provision will be required from Clearing members will be announced with sufficient lead time in a future Eurex Clearing circular.

4. Production

- Set-up of ZCIS for Members at Eurex Clearing:
Members intending to clear ZCIS only need to submit the form “EurexOTC Clear Interest Rate Derivative Static Data Form” with the respective product selection.
Effective immediately, Members can use the Production Margin Calculator to run a “what-if”-scenario for ZCIS.
- Mapping request and set-up of ZCIS for members at MarkitSERV:
Members wishing to clear ZCIS must request respective mappings at their Approved Trade Source (ATS), such as MarkitSERV. MarkitSERV has indicated that at least two weeks are required for activation of products following the submission of a set-up request.

5. Fees

Furthermore, attachment 2 to this circular contains an excerpt of the Price List for Eurex Clearing AG (Price List) with changes and enhancements to add ZCIS to the existing overview. The amended Price List will come into effect on 3 August 2015.

However, Eurex Clearing decided to grant a fee waiver of 100 percent on clearing fees for Zero Coupon Inflation Swaps (booking and maintenance fee) to all Clearing Members and Registered Customers for their respective accounts from 3 August 2015 to 30 June 2016.

For the launch of ZCIS, provisions in chapters 10, 10.1, 10.2, 20.2.1, 10.2.2, 10.2.3, 10.2.4, 10.3, 10.3.1, 10.3.2, 10.4 and 10.5 in the Price List will be amended:

- Introduction of a price model for ZCIS with the following components:

Booking Fee	
Fixed booking fee – per million notional amount in the trade currency*	EUR 0.375
Maturity Premium – per million/year notional amount in the trade currency*	EUR 1.125
Maximum booking fee – per million notional amount in the trade currency*	EUR 27.00
Backloading Incentive	
Backloading booking fee discount	70%
Maintenance Fee	
Maintenance fee – per million notional amount in the trade currency per day*	EUR 0.028

* if the trade currency is not EUR, the same amount shall be applied in the relevant trade currency without currency conversion

- Rebate scheme on the OTC Interest Rate Derivative Booking Fee for Registered Customers: The ZCIS are included in the existing RC OTC IRS rebate program. Therefore, the same thresholds for Zero Coupon Inflation Swaps apply as for Interest Rate Swaps.

Rebates on the booking fee (based on the cumulated cleared notional amount)* + Rebates on the maintenance fee (based on the outstanding notional amount)*	
Up to EUR 240 bn cleared notional	0%
EUR 240 bn to EUR 720 bn	15%
EUR 720 bn to EUR 1,500 bn	25%
Above EUR 1,500 bn	35%

* All products together (ZCIS, OIS, IRS, FRA) are considered in calculation of the cumulated notional/cleared notional amount

- Rebate Scheme for Clearing Members' Own Accounts:

Rebate Scheme	Silver Pack	Gold Pack
Fixed Fee p.a. (thousand EUR) – per annum per pack	70	375
Threshold: Cumulated cleared notional in billion EUR	8	Unlimited
Rebate in % on the fee calculated based on the standard fee model (above threshold)	60%	N/A

6. Simulation

ZCIS are already available in simulation since 9 March 2015. Members wishing to test ZCIS in simulation are only requested to submit the form “EurexOTC Clear Interest Rate Derivative Static Data Form (Simulation)” with the respective product choice and send it via e-mail to OTCIRS.Onboarding@eurexclearing.com.

Running a “what-if” scenario for Zero Coupon Inflation Swaps is already possible in the Simulation Margin Calculator since 9 March 2015.

The Static Data Form and forms for user set-up for the Margin Calculator are available on the Eurex Clearing website www.eurexclearing.com under the path:

Resources > Forms > EurexOTC Clear

7. Clearing Conditions for Eurex Clearing AG

In the context of the introduction of ZCIS, the following provisions in the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) will be amended:

- Chapter VIII Part 2 Numbers 2.1.3, 2.1.4.1, 2.2.3, 2.2.4, 2.2.5, 2.2.6 and 2.3.6

The amended sections of the Clearing Conditions and the associated Clearing Agreements can be found attachment 3 to this circular. The Clearing Conditions and associated Clearing Agreements will become effective as of 3 August 2015. As of this date, they will be available for download on the Eurex Clearing website www.eurexclearing.com under the path:

Resources > Rules and Regulations > Clearing Conditions

eurex clearing circular 075/15

Pursuant to Chapter I Part 1 Number 17.2.3 of the Clearing Conditions, the changes and amendments to the Clearing Conditions communicated with this circular shall be deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer, unless they object in writing to Eurex Clearing AG prior to the actual effective date of such change and amendment of the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License according to Chapter I Part 1 Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions shall remain unaffected.

Pursuant to Number 16 Paragraph 3 of the Price List, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing AG within ten (10) business days after publication.

If you have any questions or require additional information, please contact Trading & Clearing Services at tel. +49-69-2 11-1 17 00 or e-mail memberservices@eurexclearing.com.

10 July 2015

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Chapter VIII Clearing of OTC Derivative Transactions

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

[...]

2.1.3 License for the Clearing of OTC Interest Rate Derivative Transactions

The OTC Clearing License granted for the Clearing of OTC Interest Rate Derivative Transactions (the “**Interest Rate Derivatives Clearing License**”) entitles the relevant Clearing Member to clear OTC Interest Rate Derivative Transactions that (i) are Own Transactions, RC-Related Transactions or Customer-Related Transactions under the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions or the Net Omnibus Clearing Model Provisions, as applicable, and (ii) the currency of which is Euro (EUR), US-Dollar (USD), Pound Sterling (GBP), Swiss Franc (CHF) or Japanese Yen (JPY). The relevant Clearing Member may elect that the Interest Rate Derivatives Clearing License shall be restricted to the Clearing of OTC Interest Rate Derivative Transactions in only some or one of these five currencies.

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

- (a) The relevant Clearing Member has elected whether to clear ZCIS on the indexes 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, and/or on the UK-RPI index (GBP inflation); and
- (b) The OTC Clearing License of the Clearing Member covers the currencies elected for the clearing of ZCIS.

[...]

2.1.4.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC Interest Rate Derivative Transactions (based on the trade record transmitted to Eurex Clearing AG via the Approved Trade Source System):

(1) Categories of OTC Interest Rate Derivative Transactions

The OTC Interest Rate Derivative Transactions must be (i) an interest rate swap (including "basis" swaps and zero coupon swaps) ("**IRS**"), (ii) an overnight index swap ("**OIS**"), ~~or~~ (iii) a forward rate agreement ("**FRA**"), or (iv) a ZCIS and, in each case, a Product Type recognised by Eurex Clearing AG;

(2) Currencies

The currency must be (i) EUR, USD, GBP, CHF or JPY for IRS and FRA ~~or~~ (ii) EUR, USD, GBP or CHF for OIS or (iii) EUR or GBP for ZCIS and the relevant currency must be covered by the Interest Rate Derivatives Clearing License of the relevant Clearing Member(s);

The payments of both parties must be made in the same currency and the floating amounts must be denominated in the same currency as the notional amount;

(3) Payment types

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

- (a) fixed rate or fixed amount (in each case including zero coupon payments) versus floating rate (including zero coupon payments); or
- (b) (in case of IRS only) floating rate versus floating rate (in each case including zero coupon payments).

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

- (c) (in case of ZCIS only) zero coupon annually compounding fixed rate versus the performance of the corresponding inflation index.

(4) Maximum remaining term

The remaining term of the OTC Interest Rate Derivative Transaction from the date of novation to the termination date must be (i) in case of IRS, no more than 50 years for Original OTC Transactions in EUR, USD and GBP and no more than 30 years for Original OTC Transactions in CHF and JPY, (ii) in case of OIS, no more than 3 years, ~~and~~ (iii) in case of FRA, no more than 2 years, and (iv) in case of ZCIS, no more than 30 years for transactions in EUR (indexes HICPxT and FRCPI) and no more than 50 years for transactions in GBP (index UK-RPI).

(5) Minimum residual term

In case of IRS, ~~and~~ OIS, and ZCIS, the minimum period between the date of novation and the termination date must be at least one Business Day for currencies EUR, GBP, USD and two Business Days for currencies CHF and JPY. The minimum residual term for FRAs is 28 calendar days from the day of novation to the termination date.

(6) Minimum term

In case of ZCIS, the minimum period between the start date and the maturity date must be at least 28 calendar days.

(76) [...]

(87) Floating rate indices

The floating rate index (Floating Rate Option or base rate) must be one of the following:

- (a) EUR-EURIBOR-REUTERS (with payment on the period end date and fixing two business days prior to the period start date);
- (b) GBP-LIBOR-BBA (with payment on the period end date and fixing on the period start date);
- (c) USD-LIBOR-BBA (with payment on the period end date and fixing two business days prior to the period start date),
- (d) CHF-LIBOR-BBA (with payment on the period end date and fixing two business days prior to the period start date),
- (e) JPY-LIBOR- BBA (with payment on the period end date and fixing two business days prior to the period start date);
- (f) CHF-TOIS-OIS-COMPOUND (with payment on the second business day following the period end date),
- (g) USD-Federal Funds-H.15-OIS-COMPOUND (with payment on the second business day following the period end date),
- (h) GBP-WMBA-SONIA-COMPOUND (with payment on the period end date), or
- (i) EUR-EONIA-OIS-Compound (with payment on the business day following the period end date);
- (j) Non revised Eurozone Harmonised Indices of Consumer Prices excluding Tobacco ("HICPxT") (ZCIS in trade currency EUR)
- (k) Non revised French Inflation Consumer Price Index excluding Tobacco ("FRCPix") (ZCIS in trade currency EUR)

(l) Non revised UK Retail Price Index ("UK RPI") (ZCIS in trade currency GBP)

~~(98)~~ Fixed rates

Fixed rates for IRS, OIS, ZCIS and FRA can have any value and may be less than zero, equal to zero or greater than zero;

~~(109)~~ Fixed rate and floating rate spread schedules

IRS (but not ZCIS, OIS or FRA) may have a fixed rate and a floating rate spread schedule, i.e. a fixed rate or floating rate spread may vary across the calculation periods relative to their value in the relevant preceding calculation period provided that any such change to the fixed rate or the floating rate 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 Approved Trade Source System. Fixed rate or floating rate spread schedules are not eligible for zero coupon payments or payments made on a compounding basis;

~~(114)~~ Calculation periods

The calculation period(s) for payment(s) of floating amounts under the relevant OTC Interest Rate Derivative Transaction (other than OIS or an OTC Interest Rate Derivative Transaction in CHF, USD or JPY) must be one month, three months, six months or twelve months and the calculation period(s) for payment(s) of floating amounts under an OTC Interest Rate Derivative Transaction in CHF, USD or JPY must be one month, three months or six months (in all cases except for Stub Periods, zero coupon payments and payments on a **compounding** basis). Where the relevant OTC Interest Rate Derivative Transaction is an OIS, floating amounts must be payable monthly, quarterly, semi-annually, annually or at maturity (except for Stub Periods). For ZCIS, only zero coupon payments are supported.

If a payment date for a fixed or floating rate payment is adjusted in accordance with any applicable Business Day Convention, the Numbers of days in the relevant calculation period may either be adjusted to the new payment date or remain unadjusted, which is to be specified in the trade record submitted via the Approved Trade Source System;

~~(4412)~~ Notional amount

The minimum notional amount must be (i) 0.01 for EUR, USD, GBP, or CHF or (ii) 1.00 for JPY.

Except for ZCIS ~~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 Approved Trade Source System. Changes in the notional amount across calculation periods may not be specified for ZCIS, OIS nor for IRS with swap

legs under which amounts are payable on a **compounding** basis or in the form of a zero coupon payment:

The terms of the OTC Interest Rate Derivative Transaction must not provide for an exchange of notional amounts.

(4213)Day count conventions

The day count convention(s) applicable to the OTC Interest Rate Derivative Transaction (excluding ZCIS) must be one of the following (based on the 2006 ISDA Definitions or the 2000 ISDA Definitions, as specified in the trade record transmitted via the Approved Trade Source System): 30/360, 30E/360, 30E/360 (ISDA), Act/360, Act/Act (ISDA), Act/365 (ISDA), Act/Act (ICMA), Act/Act (ISMA) or Act/365 (Fixed);

The day count convention applicable to ZCIS must be 1/1.

(134) [...]

(145) [...]

(156) [...]

(167) [...]

(178) [...]

(19) Start date

IRS, OIS and FRA may be spot starting, forward starting or starting in the past (backloading). ZCIS may only be spot starting and starting in the past.

[...]

2.2.3 Calculation of Fixed Amount

Eurex Clearing AG will calculate a fixed amount payable by a party on a Payment Date (the "**Fixed Amount**") as either:

- (1) if in the OTC Trade Novation Report an amount is specified as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, such amount; or
- (2) if an amount is not specified in the OTC Trade Novation Report as the Fixed Amount and if such amount is not otherwise determined as provided in the OTC Trade Event Report, an amount calculated on the basis of the following formula for that Payment Date or for the related Calculation Period:

Fixed Amount = Notional Amount x Fixed Rate X Fixed Rate Day Count Fraction.

or in case of ZCIS as:

$$\text{Fixed Amount} = \text{Notional Amount} \times ((1 + \text{Fixed Rate})^{\text{Term}} - 1)$$

[...]

2.2.4 Calculation of Floating Amount

[...]

(4) The floating payment amount of ZCIS is calculated as:

$$\text{Floating Amount} = \text{Notional Amount} \times (\text{inflation index value at maturity} / \text{start inflation index value} - 1).$$

The specified fixing lag and index interpolation method must be considered.

2.2.5 Rates for calculating the Floating Amount

(1) The applicable Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) applied by Eurex Clearing AG in calculating Floating Amounts will be set out in the OTC Trade Novation Report on the basis of the floating rate index specified in the trade record transmitted to Eurex Clearing AG via the Approved Trade Source System whereby:

[...]

(g) "HICPxT" means the non revised Eurozone Harmonised Index of Consumer Prices excluding Tobacco or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(h) "FRCPix" means the non revised French Inflation Consumer Price Index excluding Tobacco or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(i) "UK RPI" means the non revised UK Retail Price Index or relevant Successor Index, measuring the all items rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

[...]

- (4) If “**Linear Interpolation**” is specified as applicable with respect to a Calculation Period or Compounding Period, the Relevant Rate for a Reset Date shall be determined in accordance with Section 8.3 of the 2006 ISDA Definitions which shall apply to both ISDA Interest Rate Derivative Transactions and DRV Derivative Transactions, whereby the Calculation Agent will make such determination in accordance with market practice based on the Best Practice Statement Linear Interpolation published by ISDA on 19 December 2009.

If a floating rate is to be determined with respect to a Stub Period and “**Linear Interpolation**” is not specified as applicable with respect to such determination, the floating rate for such Stub Period shall be determined pursuant to Number 2.1.4.1 Paragraph (67) (c) (aa), (bb) or (dd), as applicable.

[...]

- (8) “**Bloomberg Screen**” means, when used in connection with any designated page and any Floating Rate Option, the display page so designated on the Bloomberg service, or any successor display page that has been officially designated by the sponsor of the original page or, if the sponsor has not officially designated a successor display page, the successor display page designated by the relevant information vendor or provider (if different from the sponsor).

(89) [...]

2.2.6 Day Count Conventions

[...]

- (8) 1/1, which is the standard daycount convention for ZCIS and which shall have the meaning given to “1/1” in the 2006 ISDA Definitions.

[...]

2.3.6 Terms for ISDA Zero Coupon Inflation Swaps

In addition to the general terms for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant OTC Trade Novation Report shall apply to ISDA Zero Coupon Inflation Swaps:

- (1) Fixed Amounts:

(a) Fixed Rate Payer

(b) Fixed Rate Payer Payment Date (subject to adjustment in accordance with any applicable Business Day Convention)

(c) Fixed Rate (zero coupon) and Fixed Rate Day Count Fraction, or

2. Floating Amounts:

- (a) Floating Rate Payer
- (b) Floating Rate Payer Payment Date (subject to adjustment in accordance with any applicable Business Day Convention)
- (c) Initial Inflation Index Level, if applicable
- (d) Inflation Index Name
- (e) Floating Rate Day Count Fraction
- (f) Inflation Index Fixing Lag
- (g) Inflation Index Interpolation Method

[...]

2.5.1 Inclusion of CCP Transactions in the Netting and Accumulation Process

- (1) All CCP Transactions that are OTC Interest Rate Derivative Transactions are eligible for netting provided that:
- (a) the relevant Clearing Member has the opposite contractual position under the CCP Transactions to be netted;
 - (b) the relevant Trade Criteria are identical; and
 - (c) CCP Transactions booked on the Own Account may not be netted with CCP Transactions booked on a Customer Account and vice versa and CCP Transaction booked on a Customer Account may not be netted with CCP Transactions booked on another Customer Account (for the avoidance of doubt, CCP Transactions entered into under the Individual Clearing Model may only be netted to the extent that they are subject to the same Standard Agreement).

“**Trade Criteria**” means the commercial interest derivative terms of the relevant CCP Transactions, in particular:

1. With respect to IRS, ZCIS and OIS:

- (i) the following basic criteria:

product type, currency, floating rate or inflation index and rate index tenor, termination date, all future payment dates, current applicable floating rate that has been fixed, spread over floating rate, fixed rate, day count convention (for each of the relevant fixed and/or floating rate payment obligations of each party), reset date, Business Day Convention; and

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

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[...]

10.1 Clearing Fees

The fees outlined in Numbers 10.2 to 10.5 apply to OTC Interest Rate Derivative Transactions (Chapter VIII Part 2 of the Clearing Conditions). The fees charged for ZCIS in some respects differ from fees charged for all other OTC Interest Rate Derivative Transactions (IRS, OIS and FRA). Numbers 10.2 to 10.5 therefore differentiate between ZCIS on the one hand and IRS, OIS and FRA on the other hand. In general, the fees are based on the underlying cleared notional amount (the “**OTC Interest Rate Derivate Notional Amount**”) and the currency of the relevant transaction. In addition, Numbers 10.2 to 10.5 apply to the calculation of the respective fee.

10.2 Standard Pricing Model

~~The standard pricing in this~~ This Number 10.2 describes:

- ~~applies the standard pricing model applying to all IRS, OIS and FRA OTC Interest Rate Derivative Transactions (Chapter VIII Part 2 of the Clearing Conditions), unless ECAG has granted a Registered Customer upon its request access to the High Turnover Pricing Model pursuant to Number 10.3 or has granted a Clearing Member upon its request access to the Rebate Scheme pursuant to Number 040.4 and.~~
- the standard pricing model applying to ZCIS unless ECAG has granted a Clearing Member upon its request access to the Rebate Scheme pursuant to Number 0.

10.2.1 Booking fee per OTC Interest Rate Derivative Transaction

“**Maturity Premium**” means in each Calculation Period an amount equal to

- EUR 0.75 for IRS, OIS and FRA; and
- EUR 1.125 for ZCIS

(in case the relevant Trade Currency is not Euro, the same amount (0.75 or 1.125 respectively) shall be applied in the relevant Trade Currency without currency conversion) per million OTC Interest Rate Derivative Notional Amount in the relevant Trade Currency multiplied by the Day Count Fraction.

“**Day Count Fraction**” means the actual number of days in a Calculation Period, divided by 365.

“**Calculation Period**” means (a) with respect to the Maturity Premium, the period from (and including) the novation pursuant to Chapter VIII Part 2 Number 2.1.4.3 of the Clearing Conditions to (and including) the Termination Date of the OTC Interest Rate Derivative Transaction pursuant to Chapter VIII Part 2 Number 2.3.1 and 2.4.4 of the Clearing Conditions and (b) with respect to the maintenance fee under Number ~~0.40.2.2~~ below, the period from (and including) the novation pursuant to Chapter VIII Part 2 Number 2.1.4.3 of the Clearing Conditions to (and including) the earlier of (i) the Termination Date of the OTC Interest Rate Derivative Transaction pursuant to Chapter VIII Part 2 Number 2.3.1 and 2.4.4 of the Clearing Conditions and (ii) in case of a termination of the relevant OTC Interest Rate Derivative Transaction in accordance with Chapter VIII Part 2 Number ~~2.8 2.7~~ of the Clearing Conditions prior to the respective Termination Date pursuant to Chapter VIII Part 2 Number 2.3.1 and 2.4.4 of the Clearing Conditions, the date, on which the termination or the De-Clearing, as the case may be, becomes effective.

“**Maximum Booking Fee**” means an amount equal to

- EUR 18.00 for IRS, OIS and FRA; and
- EUR 27.00 for ZCIS

(in case the relevant Trade Currency is not Euro, the same amount (18.00 or 27.00 respectively) shall be applied in the relevant Trade Currency without currency conversion) per million OTC Interest Rate Derivative Notional Amount in the respective Trade Currency.

“**Trade Currency**” means the currency, in which the relevant OTC Interest Rate Derivative Transaction was entered into.

- (1) For each OTC Interest Rate Derivative Transaction (Chapter VIII Part 2 of the Clearing Conditions) a fixed booking fee per OTC Interest Rate Derivative Transaction (“**Fixed Booking Fee**”) of

- EUR 0.25 for IRS, OIS and FRA; and
- EUR 0.375 for ZCIS

(in case the relevant Trade Currency is not Euro, the same amount (0.25 or 0.375 respectively) shall be applied in the relevant Trade Currency without currency conversion) per million OTC Interest Rate Derivative Notional Amount in the respective Trade Currency shall be paid by the relevant Clearing Member.

- (2) [...]

- (3) The OTC Interest Rate Derivative Booking Fee shall exclusively be paid by the Clearing Member with the invoice, issued for the relevant calendar month. By payment of the OTC Interest Rate Derivative Booking Fee, all services to be provided by ECAG in relation to an OTC Interest Rate Derivative Transaction pursuant to Chapter VIII Part 2 Number 2.1.4.3 Paragraph (4), Number ~~2.56~~, Number ~~2.76~~

(except for the transfer of an OTC Interest Rate Derivative Transaction to another Clearing Member (Trade Transfer) pursuant to Number 2.67.1) and Number 2.87 of the Clearing Conditions shall be covered.

- (4) For each transfer of an OTC Interest Rate Derivative Transaction to another Clearing Member (Trade Transfer) pursuant to Chapter VIII Part 2 Number 2.76.1 of the Clearing Conditions, ECAG may charge the respective Transferee Clearing Member a percentage of the originally calculated OTC Interest Rate Derivative Booking Fee for the relevant OTC Interest Rate Derivative Transaction. Such percentage is currently equal to zero.
- (5) [...]

10.2.2 Rebate scheme on the OTC Interest Rate Derivative Booking Fee for Registered Customers

- (1) A Registered Customer shall receive a rebate on the booking fee calculated based on standard pricing model, if the member exceeds certain threshold of the cumulated cleared notional as shown in the following table. ZCIS, IRS, OIS and FRA contribute to the calculation of the cumulated cleared notional and the Rebate scheme as shown in the table below applies.
- (2) [...]
- (3) [...]
- (4) [...]

Thresholds for the cumulated cleared notional (billion Euro) <u>considering ZCIS, IRS, OIS and FRA</u>	Rebate applied to the booking fee calculated based on the standard pricing model
cleared notional \leq 240	0%
$240 \leq$ cleared notional \leq 720	15%
$720 \leq$ cleared notional \leq 1,500	25%
$1,500 \leq$ cleared notional	35%

10.2.3 Maintenance fee

- (1) The maintenance fee shall be
- -EUR 0.007 for IRS, OIS and FRA; and

- –EUR 0.028 for ZCIS

_____ (in case the relevant Trade Currency is not Euro, the same amount (0.007 or 0.028 respectively) shall be applied in the relevant Trade Currency without currency conversion) per million OTC Interest Rate Derivative Notional Amount and day in the relevant Trade Currency. The maintenance fee for current OTC Interest Rate Derivative Transactions shall be determined on a daily basis and calculated at the end of a calendar month. Number 14 Paragraph (4) shall not apply.

- (2) [...]

10.2.4 Rebate scheme on the maintenance fee for Registered Customers

- (1) A Registered Customer shall receive a rebate on the maintenance fee calculated based on the standard pricing model if the member exceeds certain thresholds of the outstanding notional as shown in the following table. ZCIS, IRS, OIS and FRA contribute to the calculation of the cumulated cleared notional and the Rebate scheme as shown in the table below applies.

- (2) [...]

- (3) [...]

Thresholds for the outstanding notional at the end of the month (billion Euro) <u>considering ZCIS, IRS, OIS and FRA</u>	Rebate applied to the maintenance fee calculated based on the standard pricing model
Outstanding notional ≤ 240	0%
240 ≤ outstanding notional ≤ 720	15%
720 ≤ outstanding notional ≤ 1,500	25%
1,500 ≤ outstanding notional	35%

10.3 High Turnover Pricing Model for IRS, OIS and FRA of Registered Customers

[...]

10.3.1 Booking fee

- (1) The Fixed Booking Fee for RC-Related Transactions of a Clearing Member in relation to specific Registered Customers, payable by the relevant Clearing Member, shall be equal to the amount per million ~~OTC Interest Rate Derivative~~ IRS, OIS and FRA

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Notional Amount in the relevant Trade Currency as specified in the table below. If such OTC Interest Rate Derivative Booking Fee exceeds the maximum booking fee (as specified below), the relevant Clearing Member shall only pay the amount equal to such maximum booking fee to ECAG. If the Fixed Booking Fee exceeds the minimum booking fee (as specified below), the relevant Clearing Member shall pay the amount equal to such minimum booking fee to ECAG.

Booking Fix Fee per million <u>IRS, OIS and FRA OTC</u> <u>Interest Rate Derivative</u> <u>Transaction Notional Amount</u> <u>in Trade Currency</u>	Booking fee floor per <u>IRS,</u> <u>OIS and FRA OTC Interest</u> <u>Rate Derivative Transaction</u>	Minimum Maximum Booking Fee (CAP) per <u>IRS, OIS and</u> <u>FRA OTC Interest Rate</u> <u>Derivative Transaction</u>
<p style="text-align: center;">EUR 0.100 (in case the relevant Trade Currency is not Euro, the same amount (0.100) shall be applied in the relevant Trade Currency without currency conversion)</p>	<p style="text-align: center;">EUR 10.00</p>	<p style="text-align: center;">EUR 30.00 (if the Trade Currency is not Euro, the amount shall be converted in the respective Trade Currency of the product. The conversion calculation is based on the daily exchange rate provided by the European Central Bank)</p>

- (2) The Fixed Booking Fee pursuant to this pricing model shall be charged with the invoice, issued for the relevant calendar month. By payment of the Fixed Booking Fee in accordance with this pricing model, all services to be provided by ECAG in relation to the relevant RC-Related Transaction of such Clearing Member in relation to a specific Registered Customer pursuant to Chapter VIII Part 2 Number 2.1.4.3 Paragraph (4), Number 2.56, Number 2.76 and Number 2.87 Clearing Conditions shall be covered.

10.3.2 Maintenance fee

The maintenance fee, payable by the relevant Clearing Member, for RC-Related Transactions of such Clearing Member in relation to a specific Registered Customer will be calculated daily based on the relevant Margin Requirement, pursuant to Chapter I Part 2 Number 6.2.2 (iii) to (vi), Chapter I Part 3 Number 5.2 and Chapter I Part 3 Number 13.1 of the Clearing Conditions and charged on a monthly basis. The aggregate amount of all Margin Requirements (each calculated on a daily basis) per month shall be multiplied by 0.10 per cent and the corresponding result shall then be divided by 365 (respectively 366).

10.4 Change between the Standard Pricing Model and the High Turnover Pricing Model

The change between the Standard Pricing Model and the High Turnover Pricing Model will only be granted upon request of the relevant Clearing Member. The receipt by ECAG of such request will trigger a one month processing period. The respective other pricing model shall be applied as of the first calendar day of the calendar month following the expiry of such processing period. The High Turnover Pricing Model is only available for IRS, OIS and FRA. For ZCIS, a change between Standard Pricing Model and High Turnover Pricing Model is not possible.

10.5 Rebate Scheme for Clearing Members' Own Accounts

[...]

(1) [...]

(2) [...]

a) Rebate scheme for IRS, OIS and FRA:

	Gold pack	Silver pack	Bronze pack
Fixed fee (million Euro) per annum per pack	2.75	1.75	0.75
Threshold: cumulated cleared notional in billion Euro	n.a. <u>no threshold</u>	2,000	200
Rebate in % on the fee calculated based on the standard fee model (above threshold)	100% <u>n.a.</u>	75%	75%

b) Rebate scheme for ZCIS:

	Gold pack	Silver pack
Fixed fee per annum per pack	<u>EUR 375,000</u>	<u>EUR 70,000</u>
<u>Threshold: cumulated cleared notional in billion Euro</u>	<u>no threshold</u>	<u>8</u>
<u>Rebate in % on the fee calculated based on the standard fee model (above threshold)</u>	<u>n.a.</u>	<u>60%</u>