



eurex clearing circular 037/10

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Recipients: All Clearing Members of Eurex Clearing AG, all Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Thomas Book



Default of Non-Clearing Members: Amendment of the Clearing Conditions

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Content may be most important for:

➔ All departments

Attachment:

Amended sections of the Clearing Conditions for
 Eurex Clearing AG

Summary:

The Executive Board of Eurex Clearing AG has decided to state more precisely the Clearing Conditions in case of a Non-Clearing Member default.

In case a Non-Clearing Member does not fulfill certain conditions agreed upon with its Clearing Member, or if it does not provide in due time the margin determined by or the payments owed to its Clearing Member (e.g. premiums and fees), the respective Clearing Member may declare vis-à-vis the corresponding market and Eurex Clearing AG by way of a written request or a respective entry ("Stop Button") in the Eurex[®] system that it is no longer willing to conduct the clearing of transactions of the Non-Clearing Member concerned.

In order to authorize exclusively Clearing Members in such cases to close out or transfer positions of their Non-Clearing Members, Eurex Clearing will amend the Clearing Conditions.

The changes will become effective on **June 23, 2010**.



Default of Non-Clearing Members: Amendment of the Clearing Conditions

The Executive Board of Eurex Clearing AG has decided to state more precisely the Clearing Conditions in case of a Non-Clearing Member default.

In case a Non-Clearing Member does not fulfill certain conditions agreed upon with its Clearing Member, or if it does not provide in due time the margin determined by or the payments owed to its Clearing Member (e.g. premiums and fees), the respective Clearing Member may declare vis-à-vis the corresponding market and Eurex Clearing AG by way of a written request or a respective entry ("Stop Button") in the Eurex® system that it is no longer willing to conduct the clearing of transactions of the Non-Clearing Member concerned.

As a result, such Non-Clearing Member shall be excluded from trading at the corresponding market or markets for the term of non-fulfillment of its above-mentioned duties and its authorization for participation in the clearing of transactions with Eurex Clearing AG shall be revoked.

In order to authorize Clearing Members to close out or transfer positions of their Non-Clearing Members in such cases, Eurex Clearing will amend the provisions in the Clearing Conditions. Close-out requests and transfer of positions to other Clearing Members are no longer exclusively performed by Eurex Clearing. Upon request of the respective Clearing Member, Eurex Clearing will transfer the Non-Clearing Member's positions into the Agent Account of the Clearing Member to enable the Clearing Member to close out or transfer the positions of the Non-Clearing Member concerned.

Please find attached the updated sections of the Clearing Conditions for Eurex Clearing AG which will become effective on June 23, 2010.

If you have any questions or require further information, please contact the Risk Operations team at tel. +49-69-211-1 24 52.

Frankfurt, June 9, 2010

CHANGES IN THE FOLLOWING CHAPTERS ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

**Chapter I
General Provisions**

[...]

Part 9

Legal Relationships between Eurex Clearing AG, Clearing Members and with Link Clearing Houses as well as their Clearing Members

9.1 Rights and Obligations of Non-Clearing Members of Clearing Members of Eurex Clearing AG

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9.2 Rights and Obligations of Clearing Members of Eurex Clearing AG

9.2.1 General Provisions

- (1) Clearing Members are required to enter into a NCM-CM Clearing Agreement with Non-Clearing Members who meet the respective prerequisites for admission to trading on the markets named in the following chapters.
- (2) Unless expressly stated otherwise in the following chapters, each Clearing Member is required to effect any payment or delivery arising out of any transaction entered into according to the NCM-CM Agreement by any of the Non-Clearing Members whose transactions the Clearing Member handles.

9.2.2 Non-fulfilment of Duties of a Non-Clearing Member

- (1) If a Non-Clearing Member fails to provide the margin fixed by its Clearing Member or to effect any daily settlement payment in a timely manner, the Non-Clearing Member may – upon written request to the Management Board by the Clearing Member - be excluded from trading at the respective market or may be restricted to the trading of specified products (whose clearing is not carried out by Eurex Clearing AG) for the duration of such failure by a decision of the Boards of Management of the respective market. Eurex Clearing AG shall immediately be informed about the submission of such request by both the Clearing Member and the Management Board of the respective market.

As of the time of decision by the Management Board of the respective market pursuant to Clause 1, the provisions pursuant to Number 1.2 Paragraph 1 with regard to the transactions resulting from the entry of orders and quotes into the trading system of the respective market by Non-Clearing Members do not apply any more.

- (2) If a Non-Clearing Member fails to pay to its Clearing Member any payments (e.g. premiums and fees) owed to it under these Conditions or these Clearing Conditions or under the provisions valid for the respective market in a timely manner, the Management Board of the respective market may, at the request of the Clearing Member, exclude such Non-Clearing Member from trading at the respective market for the duration of the non-payment or it may restrict such Non-Clearing Member to the trading of specified products. Any such request made by telephone must promptly be confirmed in writing.
- (3) Exclusively for banks with a clearing license pursuant to Chapter I Number 2.1 Paragraph 1 item a (Clearing of Eurex transactions) or item f (Clearing of EEX transactions), the following applies:
 - In case a Non-Clearing Member which is admitted to trading on the Eurex Exchanges or the EEX (hereinafter jointly referred to as "Markets") does not fulfil the other conditions pursuant to Number 9.2.3 agreed upon with its Clearing Member, or if it does not provide in due time the margin determined by or the payments owed to its Clearing Member (e.g. premiums and fees) within the meaning of Paragraph 2, such payments being based on these Clearing Conditions, the respective Clearing Member may – instead of a written application pursuant to Paragraph 1 or 2 – declare vis-à-vis the respective Market and Eurex Clearing AG by way of a respective entry ("Stop Button") in the system of the Eurex Exchanges, the EEX or the system of Eurex Clearing AG (hereinafter jointly referred to as "System") pursuant to Number 9.2.3.2 that it is no longer willing to conduct the clearing of Eurex Transactions and Eurex OTC Transactions of the concerned Non-Clearing Member on the respective Market or the Markets.
 - By way of such a system entry ("Stop Button"), the Clearing Member at the same time applies vis-à-vis the respective Market or Markets and Eurex Clearing AG that the respective Non-Clearing Member shall be excluded from trading at the respective Market or Markets for the term of non-fulfillment of its above-mentioned duties and that the authorization of participation in the clearing of transactions concluded off-exchange via the OTC Trade Entry Facility shall be revoked. In this case, the regulations pursuant to Number 9.2.3.3.2 and 9.2.3.3.3 shall apply.
- (4) General- or Direct Clearing Members ("Clearing Members") themselves may not only close positions or exercise or close positions or transfer them to another Clearing Member - such positions opened by their Non-Clearing Members - if Clearing Members have expressly been authorized to do so according to the Clearing Conditions and if the prerequisites respectively set forth are fulfilled.

If a Non-Clearing Member has been excluded from trading on one of the markets named in the following Chapters or has been restricted to the trading of specified products, the Clearing Member may, upon respective notification to Eurex Clearing AG request close that Eurex Clearing AG close the transactions or positions of such Non-Clearing Member by Eurex Clearing AG itself or transfer such transactions or positions to another Clearing Member. The notification shall be submitted via telephone (phone: +49 (0) – 69 – 211-11250) or fax (fax: +49 (0) – 69 – 211-14334). A notification submitted electronically shall immediately be submitted in writing as well.

The Clearing Member shall immediately inform its Non-Clearing Member about the notification on its intention to close the transactions or positions of this Non-Clearing Member. In this case, the Non-Clearing Member herewith declares vis-à-vis its Clearing Member its approval to the closing of its net transactions or net positions by the conclusion of inverse transactions (“closing”) or to the transfer of such transactions to another Clearing Member.

Afterwards, the concerned Non-Clearing Member concerned itself may not close the transactions opened by it or exercise or close positions or take measures opposing a closing or transfer of its net transactions respectively net positions. The Non-Clearing Member is obligated to support its Clearing Member in closing its net transactions respectively net positions or in transferring these transactions to another Clearing Member by submission of necessary declarations (e.g. approvals) and to make all entries in the system of Eurex Clearing AG which are necessary for closing or transfer of positions.

Upon submission of the notification to Eurex Clearing AG, the Clearing Member is authorized to close the net transactions respectively net positions of its Non-Clearing Member by conclusion of inverse transactions (“closing”) or to transfer them to another Clearing Member.

The costs of such closing shall be borne by the Clearing Member.

A transfer of transactions or positions carried out according to Paragraph 4 shall affect neither the transactions nor the rights and obligations resulting from such transaction as well as the rights and obligations resulting from the exercised and allocated positions.

- (5) If a Clearing Member fails to make any payments or deliveries due to Eurex Clearing AG, the Management Board of the respective market may, upon request of Eurex Clearing AG, exclude such Clearing Member, as well as the Non-Clearing Members represented by it pursuant to the provisions of the respective market from trading for the duration of such failure or may restrict it to the trading of specified products;

From the time of decision by the Management Board of the respective market pursuant to Clause 1, the provisions pursuant to Number 1.2 Paragraph 1 with regard to the transactions resulting from the entry of orders and quotes into the trading system of the respective market by Non-Clearing Members do not apply any more.

Clearing AG reserves the right to also close defaulting transactions or positions in all accounts for the Clearing of which the Clearing Member is responsible. According to Number 1.8.1, Eurex Clearing AG shall not be liable for any losses suffered by a Non-Clearing Member due to the exclusion of its Clearing Member from trading or due to a restriction of its Clearing Member to specified products on the respective market.

- (6) Eurex Clearing AG shall inform the Clearing Member of any measures taken with respect to one of its Non-Clearing Members to the extent that such measures may affect the risk assessment of such Non-Clearing Member and the respective measures are known to Eurex Clearing AG. Clause 1 shall respectively apply in case of closing or transfer of transactions respectively positions of a Non-Clearing Member by its Clearing Member. The Clearing Member shall immediately notify Eurex Clearing AG of the taken measures within the meaning of Clause 1.

9.2.3 Other Agreements between Banks with a Clearing License pursuant to Chapter I Number 2.1 Paragraph 1 item a or item f (“Clearing Members”) and Non-Clearing Members with regard to the Clearing of Eurex Transactions or EEX Transactions

- (1) Clearing Member may conclude with Non-Clearing Members with whom they have entered into a NCM-CM Clearing Agreement (Annex to the Clearing Conditions) concerning the execution of the clearing of Eurex Transactions and EEX Transactions, one or several other arrangements (“Conditions”). Provided that Clearing Members have agreed upon such Conditions with their Non-Clearing Members for execution of the clearing of the transactions of their Non-Clearing Members, the Clearing Member herewith declares that, in case of non-fulfilment of these Conditions by the respective Non-Clearing Member pursuant the following regulations, it is no longer willing to further execute the settlement of Eurex transactions and/or EEX transactions (hereinafter jointly referred to as “transactions”) of the concerned Non-Clearing Member.
- (2) In order to guarantee the fulfilment of the obligations determined between them in connection with the participation in the clearing procedure for Transactions within the meaning of Paragraph 1, Clearing Members may agree with their Non-Clearing Members upon such obligations regulated in Number 9.2.3.1 and 9.2.3.2. An agreement upon such obligations requires that the orders and quotes to be executed at the Markets or the Transactions of the respective Non-Clearing Members shall initially be verified by means of the system with regard to the fulfilment of fixed Pre-Trade-Limits (Number 9.2.3.1) and other agreed conditions (Number 9.2.3.2). Only in case of fulfilment of these conditions, the orders and quotes of the Non-Clearing Members shall be matched with other orders or quotes (“Matching”) or their Transactions shall be included in the clearing by Eurex Clearing AG.
- (3) In case orders or quotes of a Non-Clearing Member, which shall be or have already been entered in the system, would lead to or constitute a violation of agreed conditions within the meaning of Number 9.2.3.1 or 9.2.3.2, the respective Market or the Markets shall, parallel to such an entry in the system, preliminarily exclude the concerned Non-Clearing Member under the following provisions from trading at the respective Market or Markets or restrict it to trading of specific products. Provided that the entry of a Transaction via the OTC Trade Entry Facility would lead to a violation of agreed conditions pursuant to Number 9.2.3.1 or 9.2.3.2, the authorization of the Non-Clearing Member to have this Transaction executed by Eurex Clearing AG shall immediately be omitted.

9.2.3.1 Limitation of Orders or Quotes („Pre-Trade Limits“)

- (1) A condition within the meaning of Number 9.2.3 shall be the agreements concluded between a Clearing Member and a Non-Clearing Member of the Markets on the limitation of orders, quotes or Transactions which may not be entered into the system by the Non-Clearing Member (“Pre-Trade Limits”).
- (2) Pre-Trade Limits may include several restrictions or a combination thereof listed in the following:
 - a. Maximum number of contracts with regard to a product per order or per quote. Insofar, the following limit is considered according to the type of order:

- maximum number of contracts per order or quote ("Maximum Order Quantity"), provided they do not relate to combined orders or combined quotes; or
 - maximum number of contracts per combined order or combined quote ("Maximum Calendar Spread Quantity"), related to specific products.
 - maximum number of contracts per transaction concluded off-exchange, related to specific products („Maximum Wholesale Quantity“).
- b. Maximum number of orders and quotes ("Maximum Number of Transactions") within a certain period ("Time Interval"), with regard to a product and onto an internal position account (Principal, Agent and M-position Accounts);
- c. Maximum number of contracts of all orders and quotes ("Maximum Transaction Quantity") within a certain period („Time Interval“), with regard to a product and onto an internal position account (Principal, Agent and M-position Accounts);
- d. Maximum number of contracts of all orders and quotes, with regard to a product and onto an internal position account (Principal, Agent and M-position Accounts), which have already been entered into the system of the Eurex Exchanges, thereby differentiating between buy- or sell orders ("Order Book Limits for Working Orders").
- (3) Upon request of the Clearing Members commissioned by the Non-Clearing Members, the latter are obligated to agree with such Clearing Members upon Pre-Trade Limits and their quantity with regard to a product. In this case, Clearing Members may deposit the Pre-Trade Limits agreed upon with their respective Non-Clearing Members in the system.

9.2.3.2 Other Conditions („Stop-Button“)

- (1) Upon request by the Clearing Members commissioned by the Non-Clearing Members, and in order to guarantee the clearing process within the meaning of Number 9.2.3 along with the limitation of orders and quotes ("Pre-Trade Limits") regulated in Number 9.2.3.1, the Non-Clearing Members are obligated to agree on additional conditions of the Non-Clearing Member vis-à-vis the Clearing Member ("Other Conditions").
- (2) Provided that such Other Conditions agreed upon with a Clearing Member are not fulfilled by the Non-Clearing Member or the duties of a Non-Clearing Member named in Number 9.2.2 Paragraph 1 and 2 are not fulfilled in due time, the respective Clearing Member may, by an according entry in the Eurex system ("Stop Button") declare vis-à-vis the Markets and Eurex Clearing AG that it is no longer willing to execute the clearing of transactions concluded at these Markets and of Transactions concluded off-exchange of the concerned Non-Clearing Member. By way of such a system entry ("Stop Button"), the Clearing Member at the same time applies vis-à-vis the Markets and Eurex Clearing AG that the respective Non-Clearing Member shall be excluded from trading at the Eurex Exchanges for the term of non-fulfillment of its above-mentioned duties and that the authorization of participation in the clearing of transactions via the OTC Trade Entry Facility in the system revoked.

9.2.3.3 Non-Fulfilment of Conditions

The Management Boards of the Markets and Eurex Clearing AG shall decide on the consequences of a non-fulfilment of conditions by a Non-Clearing Member upon an according electronic declaration of the respective Clearing Member pursuant to the following regulations.

9.2.3.3.1 Exceedance of Pre-Trade Limits

- (1) If, upon verification of the compliance with the Pre-Trade Limits deposited in the system of the respective Market by a Clearing Member for a Non-Clearing Member on a business day (Number 9.2.3.1), it turns out that the execution of orders, quotes entered into the system or the entry of Transactions of a Non-Clearing Member via OTC Trade Entry Facilities in the system, exceed the agreed Pre-Trade Limits, the Clearing Member, as a consequence, is no longer willing to execute the clearing of further transactions of its respective Non-Clearing Member.
- (2) In case a Clearing Member is not willing to execute the clearing of Eurex Transactions of a Non-Clearing Member according to Paragraph 1, the Markets shall – immediately and for a respective period - order the suspension of the trading admission of the concerned Non-Clearing Member to trading in specific products with regard to a specific position account pursuant to Number 9.2.3.3.3 (Suspension of Exchange Admission). In addition, the system of the Eurex Exchanges guarantees that a transfer of orders or quotes of the concerned Non-Clearing Member in the order books of the Markets and, as a result, their matching with other orders or quotes, are prevented. Orders or quotes of the concerned Non-Clearing Member already existing in the order books of the Markets shall neither be deleted nor shall their matching with other orders and quotes be prevented.
- (3) If, due to non-fulfilment of Pre-Trade Limits pursuant to Paragraph 1, a Clearing Member is not willing to execute the clearing of Transactions, the authorization to have Transactions concluded off-exchange cleared by Eurex Clearing AG via usage of the OTC Trade Entry Facilities for the concerned Non-Clearing Member shall immediately be omitted. At the same time, the authorization to use the OTC Trade Entry Facility of the Markets and Eurex Clearing AG is revoked, to such extent as this would result in a non-fulfilment of the conditions agreed upon between Non-Clearing Member and Clearing Member. In addition, the Eurex system prevents that the respective Transactions can be entered into the system and be included in the clearing.

9.2.3.3.2 Non-Fulfilment of Other Conditions (“Stop Button”)

- (1) As soon as a Clearing Member, by way of a respective system entry (“Stop Button”), declares vis-à-vis the Markets and Eurex Clearing AG that it is no longer willing to execute in whole the clearing of transactions of a certain Non-Clearing Member, since the concerned Non-Clearing Member does not fulfil the Other Conditions agreed upon pursuant to Number 9.2.3.2, the Management Boards of these Markets shall immediately order the preliminary exclusion of the concerned Non-Clearing Member from trading pursuant to Number 9.2.3.3.3 (Suspension of Trading Admission). At the same time, the authorization of the concerned Non-Clearing Member to have the Transactions concluded off-exchange cleared by Eurex Clearing AG shall cease to exist. The authorization to use the OTC Trade Entry Facilities to enter Transactions in the System shall entirely be revoked for a limited period.

From this point, the regulations on the matching of trades pursuant to the respective rules and regulations of the Markets and the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation) of Eurex Clearing AG, with regard to orders, quotes and transactions concluded off-exchange of the concerned Non-Clearing Member, shall not apply any more.

- (2) The preliminary exclusion from trading at the Markets and the preliminary revocation of the authorization to have Transactions concluded off-exchange cleared by Eurex Clearing AG as well as the revocation of the authorization to use the OTC Trade Entry Facilities shall be ordered or directed by the Markets and Eurex Clearing AG until the Clearing Member, by way of a new system entry (deactivation of Stop-Button) within the meaning of Number 9.2.3.3 Paragraph 2 declares vis-à-vis the Markets and Eurex Clearing AG that it is again willing to execute the clearing of transactions concluded at the Eurex Exchanges and of Transactions concluded off-exchange of the concerned Non-Clearing Member.
- (3) From the point of ordering the suspension of the Exchange admission of the concerned Non-Clearing Member by the Markets and of revocation of the authorization of the Non-Clearing Member to have its Transactions concluded off-exchange cleared by Eurex Clearing AG and of revocation of the utilization authorization of the OTC Trade Entry Facilities pursuant to Paragraph 1, the system shall prevent other orders, quotes or Transactions of the concerned Non-Clearing Member from being entered into the system. Orders and quotes of the concerned Non-Clearing Member already existing in the System shall be deleted.

At the same time, the system ensures that the concerned Non-Clearing Member cannot modify or release Transactions already entered into the System. In addition, Transactions already entered into the System by this Non-Clearing Member cannot be released any more by its counterparty.

Furthermore, the concerned Non-Clearing Member shall from this point onwards not be authorized to conduct the measures for account keeping, such as Trade Adjustments, Closing Position Adjustments, Member Position Transfer or Give-Up Trades provided for in the rules and regulations of the Markets. The possibility to use the respective facilities of the system shall be technically prevented for the concerned Non-Clearing Member.

- (4) Clearing Members are obligated to submit written documentation to the Management Boards of the Markets of each single case on the business day on which they have declared vis-à-vis the Markets and Eurex Clearing AG via the respective system function ("Stop-Button") pursuant to Paragraph 1 that they are no longer willing to execute the clearing of Transactions and Transactions concluded off-exchange of one of their Non-Clearing Members. This documentation shall contain details on the facts, in particular the amount of the agreed limit(s) respectively positions, the orders/quotes, type of agreed other duties (e.g. compliance with economic stability criteria) and conditions, the time of submission of a declaration pursuant to Paragraph 1 and the time of revocation of a declaration pursuant to Paragraph 1.

9.2.3.3.3 Preliminary Exclusion from Trading or from Trading of Specific Products (Suspension of Trading Admission) as well as Revocation of the Admission to Clearing of Transactions concluded off-exchange

- (1) In case a Clearing Member declares vis-à-vis the Management Boards of the Markets pursuant to Paragraph 9.2.3 that, for the period of non-fulfilment of conditions pursuant to Number 9.2.3.1 (Pre-Trade Limits) or of Other Conditions within the meaning of Number 9.2.3.2 by one of its Non-Clearing Members, it is not any more willing to execute the clearing of Transactions or Eurex OTC Transactions of this Non-Clearing Member in whole or with regard to individual transactions, the concerned Non-Clearing Member shall, from this point onwards for a respective term and for lack of guaranteeing an orderly settlement of its transactions, be excluded from trading at the Markets respectively restricted to trading in specific products and on specific position accounts of the Markets pursuant to the respective provisions of the markets. At the same time, Eurex Clearing AG shall preliminarily revoke the authorization of the concerned Non-Clearing Member to have its Eurex OTC Transactions cleared by Eurex Clearing AG. The authorization of the Non-Clearing Member to use the OTC Trade Entry Facilities of the Eurex Clearing AG in order to enter transactions in the clearing, shall entirely be revoked for a limited period.

The concerned Non-Clearing Member shall immediately be informed by the Markets about the ordered suspension of the Trading admission electronically by the system; at the same time, its access to the system of the Eurex Exchanges shall be restricted accordingly.

- (2) Clearing Members who – by way of a system entry (“Stop Button”) pursuant to Number 9.2.3.3.2 Paragraph 1 - have declared vis-à-vis the Management Boards of the Markets that they are no longer willing to execute the clearing of transactions of one of their Non-Clearing Members in whole or with regard to individual products, are obligated to immediately revoke their declaration vis-à-vis the Management Boards of the Markets by using the same system facility, if the concerned Non-Clearing Member again fulfils the conditions agreed upon with the Clearing Member. In this case, the Management Boards of the Markets shall at the same time revoke the order vis-à-vis the concerned Non-Clearing Member pursuant to Paragraph 1 (Suspension of Trading Admission), immediately announce such revocation electronically via the system and, again, technically provide respective utilization of the system to the Non-Clearing Member.

The same applies to Clearing Members who, by way of a system entry (“Stop Button”) pursuant to Number 9.2.3.3.2 Paragraph 1, have declared vis-à-vis Eurex Clearing AG that they are no longer willing to execute the clearing of Transactions of one of their Non-Clearing Members. In such case, Clearing Members are obligated to immediately revoke their declaration vis-à-vis Eurex Clearing AG by way of the same system facility, when the concerned Non-Clearing Member again fulfils the conditions agreed upon with the Clearing Member.

9.3 Termination of NCM-CM Clearing Agreements

- (1) Eurex Clearing AG may terminate any NCM-CM Clearing Agreement with immediate effect in the event that the Non-Clearing Member or General Clearing Member concerned has violated the Clearing Conditions despite receiving notice concerning the violation. If a NCM-CM Clearing Agreement is terminated by Eurex Clearing AG, the Non-Clearing Member concerned may not enter new orders or quotes, must cancel all outstanding orders and quotes, and must close all existing positions or transfer such transactions respectively positions to another Clearing Member. If the closing respectively transfer of transactions or positions have not been concluded within a period fixed in particular cases by Eurex Clearing AG, Eurex Clearing AG may exercise the closing pursuant to Number 8.1. The Clearing Member concerned is required to fulfill all obligations under any remaining transactions and contracts of such Non-Clearing Member.
- (2) A Clearing Member may terminate a NCM-CM Clearing Agreement at any time upon one month's notice. Upon the expiration of such notice period, the Non-Clearing Member must cancel all outstanding orders and quotes and must close or transfer to another Clearing Member all existing transactions respectively positions ~~or~~— if the clearing of transactions on the respective markets is, according to the regulations of the home country, permissible ~~—transfer it to this Clearing Member;~~ such Non-Clearing Member may thereafter enter no new orders or quotes that would be cleared through the terminating Clearing Member. Paragraph 1 Clause 3 and 4 shall apply mutatis mutandis.
- (3) A Non-Clearing Member may terminate a NCM-CM Clearing Agreement at any time, provided that such Non-Clearing Member has closed or transferred all transactions respectively open positions, canceled all orders and quotes and fulfilled all obligations to the Clearing Member concerned and Eurex Clearing AG.
- (4) The termination of a NCM-CM Clearing Agreement shall become effective only upon the receipt of a notice of termination in writing by the other two parties.
- (5) Eurex Clearing AG shall inform the Management Board of the respective market in writing about a termination of the NCM-CM Clearing Agreement pursuant Paragraph 1 through 3 and about the time when the termination becomes effective. From the time at which the termination of the NCM-CM Clearing Agreement becomes effective, the provisions pursuant Number 1.2 Paragraph 1 and 2 do not apply any more to the orders and quotes entered into the trading system of the respective market by the respective Clearing Member and its affiliated Non-Clearing Members.

From the point in time named in the notification under Clause 1, the Management Board of the respective market excludes the respective Clearing Member (in its function as trading participant) and its affiliated Non-Clearing Members from trading or restricts them to the conclusion of transactions whose clearing is not carried out by Eurex Clearing AG.

- (6) The regulations on a close-out of transactions between Clearing Member and Non-Clearing Member on basis of the NCM-CM Clearing Agreement shall not be affected by the provisions of this Number.

[...]