

Regulation Clearing Fund

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1. Introduction

This Regulation is enacted pursuant to the definition of Clearing Fund and Article 8.2.1 of the Clearing Rule Book.

Capitalised terms used in this Regulation, and not otherwise defined herein, shall have the meaning ascribed thereto in the Clearing Rule Book.

This Regulation applies as of 13 January 2020.

Changes to this Regulation will be implemented in accordance with the EuroCCP Procedure Changes to Clearing Rules as published on EuroCCP's website.

2. Contributions to the Clearing Fund

2.1 Base Deposits

Pursuant to paragraph 8.2.2. (a) of the Clearing Rule Book, the applicable base deposits are as follows:

- for a Direct Clearing Participant : € 1,000,000
- for a General Clearing Participant : € 3,000,000
- for a Clearing Participant designated in accordance with section 2.5 of the Regulation Trade Refusal: : € 3,000,000

2.2 Required Clearing Fund Size

The Required Clearing Fund Size is defined as 105% of the largest uncovered potential loss over the last 12 months.

The uncovered potential loss is the sum of the two largest assumed liquidation losses remaining after the deduction of the financial resources listed in the Clearing Rule Book under paragraph 8.4.2 (a), (c) and (d) under extreme but plausible market conditions. The two largest assumed liquidation losses are determined by calculating and ranking all assumed liquidation losses of all Open Positions for each Clearing Participant.

2.3 Determination of the Contribution per Clearing Participant

Each Clearing Participant is required to deposit the base amount as stated in section 2.1

To determine the variable component of the Contribution for each Clearing Participant, the average margin percentage is calculated as the average Margin based on the previous thirty (30) Clearing Days of the Clearing Participant's Open Positions in Securities divided by the average Margin based on the previous thirty (30) Clearing Days of all Open Positions in Securities of all Clearing Participants.

If the Required Clearing Fund Size is greater than the sum of the base amounts of all Clearing Participants, the remainder is allocated to each Clearing Participant pro rata on the difference between the average margin percentage of the Clearing Participant and the base amount of the Clearing Participant divided by the Required Clearing Fund Size, provided the difference is greater than zero.

The calculation of the average margin percentage is performed on a monthly basis by EuroCCP at the beginning of each month taking the last Clearing Day of the previous month as reference.

All required Contributions to the Clearing Fund are rounded up to the next € 50,000

3. Account

Contributions to the Clearing Fund are to be made to the relevant account specified in the document EuroCCP Collateral Standard Settlement Instructions (as amended from time to time) as published on the website of EuroCCP.

4. Calculation and Reporting

Each day before 9.00 CET, the Clearing Participants will be informed of the required Contribution for that day. The Contribution balance of securities and/or cash is reported to the Clearing Participant on a daily basis. The Contribution call per Clearing Participant will contain the required Contribution per Clearing Participant and the current valuation after haircut charge of the Contributions already made by the Clearing Participant.

5. Collateral acceptable as Contributions

Acceptable Collateral, Haircuts and concentration limits are listed in the document “EuroCCP Acceptable Collateral”, which is located on the EuroCCP website.

5.1 Bonds

The value of the Bonds is calculated on the basis of their current market value and the applicable haircut and not on the nominal value of the Bonds deposited. Coupon payments on these bonds shall not form part of the assets of the Clearing Fund and shall be paid by EuroCCP to the relevant Clearing Participant as received by EuroCCP, provided that the relevant Clearing Participant has complied with its obligations under the Clearing Rules.

5.2 Cash

Interest earned on cash Contributions shall not form part of the assets of the Clearing Fund and shall be paid by EuroCCP to the relevant Clearing Participant once a month, provided that the Clearing Participant has complied with its obligations under the Clearing Rules. If the outcome of the monthly interest calculation results in a negative (payable) interest amount, the amount involved will not be charged to the Clearing Fund account of the client but will be collected via the monthly fee invoice. EuroCCP will apply the interest compensations as listed on <https://euroccp.com/home/participants-centre/interest-rates/>.

EuroCCP shall not be obliged to segregate the Contribution in cash and may commingle Contributions in cash for ease of administration.

5.3 Investment Guidelines Cash Contributions

Cash Contributions to the Clearing Fund will be invested in accordance with the Regulation EuroCCP Investment Policy.

6. Deadlines and instruction details for deposit and withdrawals

6.1 Deposits

EuroCCP will inform the Clearing Participant via email on the required Contribution for that day before 9.00 CET. The Clearing Participant shall transfer the required Contribution in cash or in Financial Instruments to EuroCCP within one (1) hour after receipt of the Contribution call. If the required Contribution amount is issued before 9.00 CET this one (1) hour comes into effect at 9.00 CET.

6.2 Withdrawals

Withdrawals of Contributions should be instructed to EuroCCP by 11.00 CET as detailed under section 7.2.

7. Clearing Fund Contributions and withdrawal of Contributions

7.1 Clearing Fund Contributions

To deposit a Contribution, the Clearing Participant should notify EuroCCP using the “Clearing Fund Deposit Form”, which can be found in this Regulation, and a scanned copy of the form should be forwarded to EuroCCP by email.

If a Clearing Participant wishes to notify EuroCCP by email, the Clearing Participant should ensure that EuroCCP has received a signed Authorisation form. This form can be found in the Regulation Collateral, and should be forwarded to: collateral@euroccp.com.

Each Clearing Fund contribution must be approved by EuroCCP Risk Management.

Securities

Once the deposit request has been approved, the Clearing Participant should transfer the securities from its own account at the CSD or Credit Institution. The settlement instruction details of the EuroCCP account can be found in the document “EuroCCP Standard Settlement Instructions”, which is located on the EuroCCP website. EuroCCP will instruct its agent to receive free of payment the agreed securities into its account.

Cash

The Clearing Participant should transfer the cash amount to EuroCCP’s cash account. The payment details of EuroCCP’s account can be found in EuroCCP’s “EuroCCP Standard Settlement Instructions” document, which can be found on EuroCCP’s website.

7.2 Withdrawal of Contributions from the Clearing Fund

To withdraw a Contribution, the Clearing Participant should notify EuroCCP via the “Clearing Fund Withdrawal Form”, which can be found in this Regulation, and a scanned copy of the form to should be sent to EuroCCP by email.

If a Clearing Participant wishes to notify EuroCCP by email, the Clearing Participant should ensure that EuroCCP has received a signed Authorisation form. This form can be found on in the Regulation Collateral, and should be forwarded to: collateral@euroccp.com.

Each Clearing Fund withdrawal request must be approved by EuroCCP Risk Management.

Securities

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Once the withdrawal request has been approved, EuroCCP will instruct a delivery free of payment for securities to be released from EuroCCP's account at its agent. EuroCCP will endeavour to instruct the delivery before 12.00 CET. EuroCCP's settlement instruction details can be found in "EuroCCP Standard Settlement Instructions" document, which can be found on EuroCCP's website. The Clearing Participant must ensure that the receiving instructions are in place with its CSD or Credit Institution.

Cash

Once the withdrawal request has been approved by EuroCCP, EuroCCP will instruct the transfer to the contra account, as stated in EuroCCP's Clearing Fund Withdrawal Form or in the Authorisation form between a Clearing Participant and EuroCCP. EuroCCP will endeavour to instruct the delivery before 12.00 CET.



EuroCCP CLEARING FUND DEPOSIT FORM

Date :
Clearing Participant Name :
Clearing Participant EuroCCP Number :

The Clearing Participant above wishes to make the following Contribution to the Clearing Fund:

Cash

Amount: EURO

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Payment from: Bank name :

BIC :

Account :

Bonds

Name:

ISIN

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Nominal Value

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Settlement Instruction: CSD :

Delivering party BIC :

Account:.....

Settlement Agent : BIC :

Account:.....

Two Authorised signatures:

For internal EuroCCP use only:

Approval
Risk Management

Handled by
EuroCCP Employee

EuroCCP CLEARING FUND WITHDRAWAL FORM

Date :

Clearing Participant Name :

Clearing Participant EuroCCP Number :

The Clearing Participant above wishes to withdraw the following Contribution from the Clearing Fund:

Cash

Amount: EURO

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Payment to: Bank name

BIC

Account

Final beneficiary

Bonds

Name:

ISIN

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Nominal Value

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Settlement Instruction: CSD

Receiving party BIC

Account

Settlement Agent..... BIC

Account

Final beneficiary..... BIC

Two Authorised signatures:

For internal EuroCCP use only:

Approval
Risk Management

Handled by
EuroCCP Employee