

Regulation Collateral

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1. Introduction

This Regulation is enacted pursuant to and in accordance with articles 5.1.2, article 6.1. and 6.2 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 12 June 2020.

Changes to this Regulation will be implemented in accordance with the EuroCCP Procedure Changes to Clearing Rules as published on EuroCCP's website. Changes in the percentage of collateral which must be maintained with EuroCCP will be notified to all Clearing Participants.

Pursuant to clause 6.2.2 of the Clearing Rule Book, EuroCCP determines that a minimum proportion of Collateral shall be held at EuroCCP of at least the following percentage: 100%.

2. Collateral Account

- 2.1 The Collateral must be deposited with EuroCCP. Notwithstanding the requirement that a 100% of Collateral shall be held at EuroCCP, EuroCCP may at its sole discretion accept collateral at one of the collateral agents/custodians as listed under clause 2.3. The daily processing window of the collateral agents may differ. EuroCCP may give directions in respect of the collateral location to the Clearing Participant in case the Clearing Participant makes use of clearing services with a higher probability of intra-day margin calls towards the end of the Clearing Day, such as OTC trades or ETRs, in order to better ensure the timely provision of collateral. Collateral held in an account will be pledged to EuroCCP by means of a Pledge over Collateral Agreement for the relevant collateral custodian and jurisdiction. Bonds transferred as Collateral pursuant to the EuroCCP financial collateral transfer title agreement will be held pursuant to said agreement.
- 2.2 The Clearing Participant can instruct EuroCCP to transfer the entitlements pursuant to any corporate actions and interest received on cash Collateral, to another bank account as specified by the Clearing Participant. Transfers will only take place after approval from the EuroCCP Risk Management Department. If the Clearing Participant does not specify another bank account, the entitlement and / or interest will be booked in the Collateral Account. If the Clearing Participant uses ABN AMRO Clearing Bank N.V. as collateral custodian, it is required to open a second account for the costs and interest.
- 2.3 List of approved Collateral Agents/custodians*:

Name of collateral agent/custodian	Eligible Collateral type
Clearstream Banking	Cash and Financial Instruments
Citibank, National Association	Cash and Financial Instruments
Euroclear Bank NV/SA	Financial Instruments

* Clearing Participants that have existing arrangements with ABN AMRO Clearing Bank NV for the purposes of providing collateral to EuroCCP which are entered into prior to 31 October 2018, are allowed to continue to use those arrangements.

- 2.4 Risk considerations
By depositing any cash as Collateral with any of the third parties designated as collateral custodian for cash under 2.3 above, the Clearing Participant acknowledges that he relies on its own judgement in relation to the credit risk exposure towards the collateral custodian resulting from depositing any such cash, and that the Clearing Participant has no recourse whatsoever on EuroCCP in this respect.

3. Collateral deposits and withdrawals

- 3.1 The Clearing Participant is not allowed to instruct a collateral custodian directly on withdrawals of Collateral from the Collateral Account. Only after EuroCCP has agreed to the withdrawal, is the Clearing Participant allowed to instruct regarding the collateral account if and when required.
- 3.2 To deposit Collateral in the Collateral Account, the Clearing Participant needs to notify EuroCCP via the Collateral Deposit Form in the form as set out in Schedule 1, and send a scanned copy of the form to EuroCCP by email. Alternatively, Collateral deposits can be notified via email from designated email addresses. The form to designate email addresses is set-out in Schedule 3. The deposit request needs to be approved by the EuroCCP Risk Management Department. Only deposits that have been properly notified to EuroCCP and that have been approved by the EuroCCP Risk Management Department, will be taken into account as Collateral.
- 3.3 The Clearing Participant needs to instruct its own account at the CSD or bank to deposit the Financial Instruments and / or cash to the account of the relevant collateral custodian in favour of its own Collateral Account. Based on the Collateral deposit request, EuroCCP will instruct (when applicable) the relevant collateral custodian to receive the Financial Instruments free of payment in favour of the Collateral Account.
- 3.4 To withdraw the Collateral from the Collateral Account, the Clearing Participant needs to instruct EuroCCP via email from designated email addresses or via the Collateral Withdrawal Form in the form as set out in Schedule 2, and send a scanned copy of the form to EuroCCP by email. EuroCCP will confirm the receipt of the Collateral Withdrawal Form.
- 3.5 This withdrawal request needs to be approved by the EuroCCP Risk Management Department. As soon as the withdrawal request has been approved by the EuroCCP Risk Management Department, an instruction to deliver the Financial Instruments free of payment or a payment instruction will be given by EuroCCP to the relevant collateral custodian to debit the Collateral Account of the Clearing Participant. EuroCCP endeavours to instruct the delivery before 12.00 CET. The Clearing Participant is responsible for the receiving instructions if and when applicable.
- 3.6 For deposits and withdrawals of cash Collateral, the Clearing Participant is not required to send the Collateral Deposit Form or the Collateral Withdrawal Form. Cash Collateral deposits and withdrawals may be notified to EuroCCP by email from designated email addresses. Cash Collateral withdrawn in this way may only be transferred to a single pre-defined cash account. The form to designate email addresses and the cash account is set out in Schedule 3.
- 3.7 Clearing Participants may be contacted by EuroCCP for excess collateral of more than 125 % of their total Margin requirement, with a minimum of EUR 5 million, in order to initiate a request from the Clearing Participant to withdraw the surplus.

4. Deadlines and instruction details for deposits and withdrawals

- 4.1 After EuroCCP has issued a Margin Call, the Clearing Participant shall transfer the required Collateral in cash or in Financial Instruments to EuroCCP within one (1) hour after receipt of the Margin call. If the Margin Call is issued before 9.00 CET this one (1) hour comes into effect at 9.00 CET.

For intra-day Margin Calls see Regulation Margin chapter 4.

- 4.2 Withdrawal requests that are submitted to EuroCCP on any Clearing Day before 11.00 CET, for both cash and non-cash, will be handled the same day. The applicable collateral agent / custodial deadlines will apply. Withdrawal notices received after this deadline, will be handled the next Clearing Day.

5. Collateral reporting

- 5.1 The collateral custodian is responsible for reporting on (i) the holdings on the Collateral Account to the Clearing Participant and (ii) the corporate actions on the Financial Instruments deposited on the Collateral Account.
- 5.2 EuroCCP will report accepted collateral holdings including its current valuation to the Clearing Participant in the daily clearing output (CIF files and reports).
- 5.3 The Clearing Participant shall pay any fees (including VAT if and when applicable) charged by the collateral custodian directly to the collateral custodian.

6. Acceptable Collateral

- 6.1 Acceptable Collateral, Haircuts and concentration limits are listed in the document "EuroCCP Acceptable Collateral", which is located on the EuroCCP website.
- 6.2 Settlement and payment instructions are listed in the document "EuroCCP Standard Settlement Instructions", which is located on the EuroCCP website.
- 6.3 The required Collateral will be calculated in accordance with the Regulation Margin.
- 6.4 The minimum Haircut figures are defined in the document "EuroCCP Acceptable Collateral". Depending on market circumstances, such as volatility, the minimum Haircut figures can be adjusted by amending the document "EuroCCP Acceptable Collateral".

Schedule 3 Authorization Form

Date :

Clearing Participant Name :

Clearing Participant Number :

We herewith authorize EuroCCP to act upon instructions to deposit / withdraw Collateral, Deposits and/or Contributions in / from account(s) pledged to EuroCCP and in / from Collateral, Deposits and/or Contributions held at EuroCCP sent from the following email address(es) without limitation:

Email:..... Email:.....

Email:..... Email:.....

Email:..... Email:.....

Cash withdrawals instructed via email must always be transferred in accordance to the following standing instructions:

Cash Correspondent BIC

IBAN Account number

Final beneficiary BIC

Non-cash withdrawals instructed via email must always be transferred in accordance with the following standing instructions:

Place of Settlement (SSI):

CSD account

Final beneficiary

Two Authorised signatures

Name

For internal EuroCCP use only:

Handled by
EuroCCP Employee

Handled by
EuroCCP Employee