

Regulation Interoperability Fund

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Introduction

This Regulation is enacted pursuant to and in accordance with article 7 and 8.13.3 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 29 July 2020.

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

1. Minimum Deposit Value

1.1 Base Amounts

Pursuant to paragraph 7.2.3 (a) of the Clearing Rule Book, the applicable base amounts are as follows:

- for a Direct Clearing Participant which enters into Trade(s) which can be settled through a Co-operating Clearing House: € 0
- for a General Clearing Participant which enters into Trade(s) which can be settled through a Co-operating Clearing House: € 0

1.2 Percentage per Clearing Participant

The percentage which will be allocated to each Clearing Participant as referred to in paragraph 7.2.3 (b) of the Clearing Rule Book will be determined as follows:

The average Margin based on the previous thirty (30) Clearing Days of the Clearing Participant's Open Positions in Securities which can be settled through the Co-operating Clearing Houses divided by the average Margin based on the previous thirty (30) Clearing Days of all Open Positions in Securities which can be settled through the Co-operating Clearing Houses.

This calculation is performed on a monthly basis by EuroCCP at the beginning of each month. Reporting of the percentage will be done within two (2) Clearing Days after the calculation, but always within the first five (5) Clearing Days of each month. The percentages will apply as from the first Monday following reporting.

EuroCCP may change the percentages at any time during the month in special circumstances, for instance upon the entry of a new Clearing Participant or the departure of a Clearing Participant.

1.3 Pro-rata percentage for unsettled amount

Only if the unpaid amount is five (5) Million Euro or more, paragraph 7.2.3 (c) of the Clearing Rule Book will apply. The percentage as referred to in paragraph 7.2.3 (c) of the Clearing Rule Book will be derived from the percentage referred to under paragraph 7.2.3 (b) by multiplying such percentiles of each Clearing Participant by the ratio of the percentages of all performing Clearing Participants against full coverage (100% divided by 100% minus percentage of the unpaid amount).

All Deposits of the Interoperability Fund will be rounded up to the next € 100,000.

2. Account

All Deposits need to be made by the Clearing Participants to the account opened within Clearstream Banking S.A. for the Interoperability Fund in the name of European Central Counterparty N.V. (account number 16583). The operation of this account will be handled by EuroCCP.

3. Calculation and Reporting

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

4. Collateral acceptable as Deposits

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

4.1 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 will be dealt with in accordance with the conditions and procedures of Clearstream Banking S.A. (as amended from time to time) 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.

4.2 Cash

EuroCCP will pay/charge the same interest on cash Deposits as paid/charged by Clearstream Banking S.A. to EuroCCP as account holder. Interest will be applied against the cash Deposits applied by the Clearing Participants.

4.3 Investment Guidelines Cash Deposits

Deposits made in cash to the Interoperability Fund will be kept in the account opened with Clearstream Banking S.A. in the name of European Central Counterparty N.V. (account number 16583). Clearstream Banking S.A. determines the investment of all cash so held.

5. Deadlines and instruction details for deposits and withdrawals

5.1 Deposits

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

In the event that by 11.00 CET on the day there are unsettled amounts of any Deposit, an additional Deposit call may be issued by EuroCCP. Such additional deposit request will be motivated by EuroCCP, citing the reason(s) for calling the additional deposit as well as the expected remedy of the situation on a no-names basis. The obligation of EuroCCP to provide this information in no way affects the obligations of the Clearing Participants to act in full accordance with such requests for additional deposits, to which the same time lines as set out will apply.

In the event that EuroCCP receives an intraday margin call from a Co-operating Clearing House, an additional Deposit call may be issued by EuroCCP to the Clearing participants. The same time lines as set before will apply.

5.2 Withdrawals

Withdrawals of Deposits need to be instructed to EuroCCP by 11.00 CET following the instructions under section 6.2.

6. Interoperability Fund Deposits and withdrawal of Deposits

6.1 Interoperability Fund Deposits

To deposit Collateral the Clearing Participant needs to notify EuroCCP via the "Interoperability Fund Deposit Form", which can be found in this Regulation, and send a scanned copy of the form to EuroCCP by email.

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

Each Interoperability Fund Deposit needs to be approved by EuroCCP Risk Management.

Securities

Once the Deposit request has been approved, the Clearing Participant is requested to 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 Collateral Standard Settlement Instructions", which is located on the EuroCCP website. EuroCCP will instruct Clearstream Banking SA to receive free of payment the agreed upon securities in the EuroCCP account.

Cash

The Clearing Participant is requested to transfer the pre-specified cash amount to the account of EuroCCP at Clearstream Banking SA. The payment details of the EuroCCP account can be found in the document "EuroCCP Collateral Standard Settlement Instructions", which is located on the EuroCCP website.

6.2 Withdrawals of Deposits from the Interoperability Fund

To withdrawal Collateral the Clearing Participant needs to notify EuroCCP via the "Interoperability Fund Withdrawal Form", which can be found in this Regulation, and send a scanned copy of the form to EuroCCP by email.

If the Clearing Participant wishes to notify EuroCCP by email only, the Clearing Participant needs to ensure that EuroCCP has received a signed Authorisation form. This form can be found in the regulation Collateral, and needs to be send to: riskmanagement@euroccp.com.

Each Interoperability Fund withdrawal request needs to be approved by EuroCCP Risk Management.

Securities

Once the withdrawal request has been approved, EuroCCP will instruct a delivery free of payment for securities to be released from the EuroCCP account with Clearstream Banking SA. The settlement instruction details of the EuroCCP account can be found in the document “EuroCCP Collateral Standard Settlement Instructions”, which is located on the EuroCCP website. The Clearing Participant is required to ensure that the receiving instructions are in place with its CSD or Credit Institution. EuroCCP endeavours to instruct the delivery before 12.00 CET.

Cash

Once the withdrawal request has been approved by EuroCCP, a transfer will be initiated by EuroCCP to the contra account as agreed on in either the EuroCCP Interoperability Fund Withdrawal Form or in the Authorisation form between Clearing Participant and EuroCCP. EuroCCP endeavours to instruct the delivery before 12.00 CET.

7. Miscellaneous.

Fees Interoperability Fund.

Fees incurred due to the operation of the Interoperability Fund at Clearstream Banking S.A. will be passed on to the Clearing Participants making Deposits in the Interoperability Fund.

