

Amendment of Clearing Conditions – Release 44a

Summary

With this release of the Clearing Conditions ECC will be able to accept Clearing Members from the US.

Additionally, changes have been made to establish the legal framework to allow a EUR cash settlement via commercial banks under certain conditions. However, the go-life of the new EUR settlement alternative is subject to the operational readiness of ECC and will be announced via a separate Clearing Circular.

The amendments will take effect as of **June 04th, 2019**.

A brief overview of the changes is provided below.

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Overview of the changes in the new release of the Clearing Conditions:

1. Definitions

Amendments in the definition of Settlement Account and introduction of definition of Default Funds.

2. Section 2.4.1 para. 1

The product-specific preconditions for Clearing Members have been opened to allow for a non Target2 Settlement Account with a Correspondent Bank if certain preconditions are fulfilled.

3. Section 2.5.1

Defines the specific requirements for US-Clearing Members.

4. Section 3.3.10

Extends the provision on the fulfilment of payment obligations to cover the EUR settlement via a Correspondent Bank.

5. Section 3.10.1 para 1 lit. c

Amendments in the section of the close-out netting rules were necessary to reflect some of the specificities of the US-insolvency law.

6. Clearing Funds to Default Funds (Clearing-Fonds to Ausfallfonds)

Throughout the document the term Clearing Funds has been changed to Default Funds (or Clearing-Fonds to Ausfallfonds in German) in order to bring the terminology in line with EMIR and avoid misunderstandings.