



Clearing Notice SIX x-clear Ltd

SIX x-clear – General Terms and Conditions (Swiss Law and English Law): Amendments

1.0 Overview

SIX x-clear reviews the General Terms and Conditions “GTCCB” (being part of the Contractual Relationship with its Members) on a yearly basis.

2.0 Effective date

The changes will become effective on 9 November 2015.

3.0 Impact on clients (changes)

The following changes were made:

3.1.1 In the **definitions** (chapter 1.0) the following new terms have been introduced: “Default Fund Segment”, “Link Margin”, “Link Margin Element”, “Matching Service”, “Replenishment Obligation”,

3.1.2 In **chapter 14.0 “Avoidance of Single Contracts and suspension of Clearing”** two cases, which were defined as giving reason for the avoidance of a Trading Platform Transaction and the suspension of a Trading Platform Product or an x-clear Member, were amended, i.e.

Former clause 14.2, let. h: Such option would have rendered the Clearing service obsolete for the Single Contract which is opposite to the “leg” corresponding to the Single Contract which is the subject of the x-clear’s election to avoid. This was not the intention. Hence, the clause is deleted in its entirety.

Former clause 14.2, let. r: Such option would have given SIX x-clear general grounds for avoiding Single Contracts if deemed not appropriate. SIX x-clear acknowledges that such choice is not transparent enough towards the x-clear Members. Hence, the clause is deleted in its entirety.

An additional phrase (second last paragraph) in clause 14.4 was inserted stating that, if a Single Contract does not come into existence (is cancelled or avoided), any margin already claimed and provided for the coverage of its exposure shall be restituted.

These changes were reviewed by the Swiss National Bank and deemed appropriate.

3.1.3 **Information and data exchange within SIX Group:** In clause 26.2 let. g. a new provision was added which introduces an exception to the basic confidentiality and data protection rule. It is aimed at permitting SIX x-clear Ltd an **exchange of confidential information and data with companies belonging to the SIX Group** if these companies are subject to materially equivalent confidentiality rules with x-clear’s.

Furthermore, please note the inserted amendment in clause 26.5 regarding outsourcing of data which means an enhancement from an x-clear Member’s point of view.

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3.1.4 **New definitions of the Events of Default (chapter 28.0):** SIX x-clear recently established detailed internal rules for the handling of a Default of an x-clear Member. In this context the definitions of the discretionary Events of Default, i.e. the events giving reason for a verification of creditworthiness and/or solvency and/or ability to act of an x-clear Member, were reassessed and shall now be amended accordingly. As regards the mandatory Events of Default, i.e. the events which upon occurrence automatically lead to a Default situation for the respective x-clear Member, have been reduced in number but worded more stringently.

These changes were reviewed by the Swiss Financial Market Supervisory Authority (FINMA) and deemed appropriate.

3.1.5 **Annex 5 “Specific provisions for the Clearing of Liquidnet/OTE Transactions:** The former self-standing Annex to the GTCB (Swiss law) for Clearing of OTE Transactions (“OTE GTCB Annex”) has been integrated more closely into the GTCB. Many of the former Annex’ clauses thus became redundant by the respective clauses of the GTCB themselves and could be eliminated. The remaining parts have not changed.

3.1.6 A number of **small changes** were applied in various parts of the GTCB for the sake of improving clarity of the statements (e.g. in clauses 4.2, 24.4, 28.4) or adjustment to the bilateral contracts in place. In particular, all provisions referring to the former “Financing Contributions” and “Additional Financing Contributions” for the financing of the Inter-CCP security have been deleted. As you know, the collateral for the exposures to Co-CCPs has been provided by x-clear Members since the beginning of this year through a separate element of the Margins, i.e. the “Link Margin Element”, as stipulated in the Pledge Agreement for Margins.

4.0 Contact and compare version

Please contact our Risk Management in case of questions or if you wish to receive a compare version to the predecessor document (with track changes).

All contact details are listed at www.six-securities-services.com > Clearing > Contacts > Risk Management.