



FEDERATION BANCAIRE DE L'UNION EUROPEENNE
BANKING FEDERATION OF THE EUROPEAN UNION
BANKENVEREINIGUNG DER EUROPÄISCHEN UNION

in co-operation with



EUROPEAN SAVINGS BANKS GROUP
GROUPEMENT EUROPEEN DE SCAISSES D' EPARGNE
EUROPÄISCHE SPARKASSENVEREINIGUNG



EUROPEAN ASSOCIATION OF COOPERATIVE BANKS
GROUPEMENT EUROPEEN DES BANQUES CO OPERATIVES
EUROPÄISCHE VEREINIGUNG DER GENOSSENSCHAFTSBANKEN

MASTER AGREEMENT FOR FINANCIAL TRANSACTIONS

CLEARING ANNEX Edition 2020

This Annex supplements the General Provisions and the Derivatives Annex which form part of any Master Agreement for Financial transactions based on the form published by the EBF.

1. Purpose and Applicability

(1) *Purpose.* The purpose of this Annex (“Clearing Annex”) is to enable the parties to clear certain Transactions by a central counterparty within the meaning of Art. 2(1) of Regulation (EU) No 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (“EMIR”) which has been authorised under Article 14 EMIR or recognised under Article 25 EMIR (“Authorized CCP”). The parties agree that they may involve one or more third parties as clearing members.

(2) *Applicability.* This Annex applies to OTC-derivatives within the meaning of Art. 2(7) EMIR which the parties intend to be cleared by a specific Authorized CCP (“Transactions to be Cleared”). Nothing in this Annex, express or implied, is intended to regulate the rights and obligations between a party and its clearing member, which may include the other party.

2. Initiation of Clearing

(1) In the event a party which is required to provide a counter-confirmation in respect of a Transaction to be Cleared fails to provide such counter-confirmation by 11 a.m. on the second day after the day on which the Transaction was concluded, the relevant Transaction to be Cleared shall be automatically terminated. Section 3 paragraph (2) of this Annex applies correspondingly.

(2) Upon acceptance of a Transaction to be Cleared into the clearing system of the Authorized CCP by which it is intended to be cleared, the Transaction is extinguished and the positions of the parties under this Transaction are no longer subject to this Master Agreement.

3. Rejection and early termination by way of cash settlement

(1) In the event an Authorized CCP fails to accept a Transaction to be Cleared, or where the relevant clearing member intended to be the clearing member for the relevant Transaction to be Cleared rejects to clear the Transaction (“Rejection of Clearing”):

(a) the Transaction to be Cleared shall continue to be a Transaction under the Master Agreement;

(b) each party may, by giving notice to this effect, terminate the relevant Transaction, with effect from the date indicated in the notice (the “Termination Date”).

(2) The following shall apply where a party terminates a Transaction in the event of a Rejection of Clearing in accordance with paragraph (1) lit. (b) above: The payments and the performance of other obligations owed by the Parties to each other which would have become due subsequent to the termination shall be replaced with a monetary amount in the contractual currency equal to the present value of the relevant Transaction. This monetary amount shall be calculated by the Calculation Agent *mutatis mutandis* in accordance with the terms described in Section 7(2)(b) of the General Provisions.

4. Subsequent Exclusion of Transactions

Section 3 paragraph 2 of this Annex applies correspondingly where a Cleared Transaction is subsequently excluded from the clearing system of the Authorized CCP, and where this transaction has not already been terminated in accordance with the provisions of the applicable separate agreement for the clearing of transactions by a central counterparty. Where neither party exercises its right of early termination, the relevant transaction shall be reconstituted as a Transaction under the Master Agreement.