# Membership Guide



# **Membership Guide**

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## **Membership Guide**

Introduction

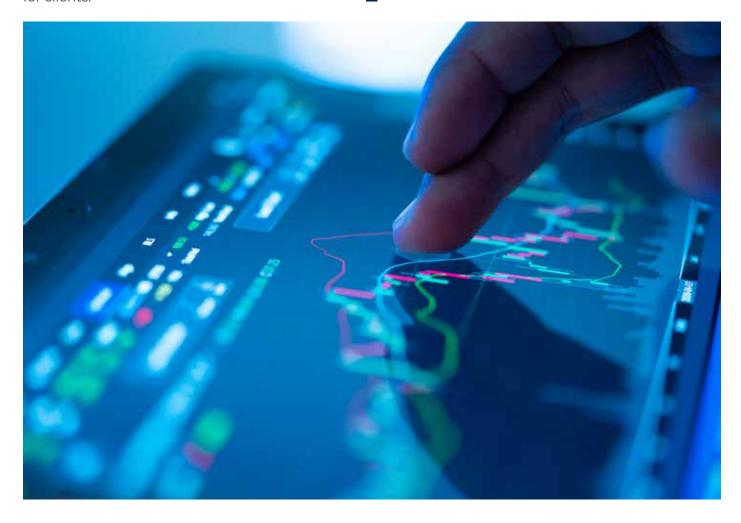
Cboe Clear Europe is a modern and vibrant multi-asset pan-European clearing house.

Whether you want to **clear Equities**, **ETF's**, **Derivatives** - or all three - we have the right **membership** options to allow you to take advantage of the efficiencies and **cost savings** by utilising one **single CCP**.

Cboe Clear Europe is Europe's mostconnected equities clearing house and has established sole, interoperable and preferred clearing connections covering approximately 95 percent of European equity trading flow for our clients.

In the European ETF industry, in partnership with ETF issuers, RFQ venues and other participants in the ecosystem, Cboe Clear Europe offers primary and secondary market post-trade services to help reduce fragmentation and improve efficiencies for clients.

Cboe Clear Europe has extended its services to equity derivatives in order to support Cboe Europe Derivatives, a new pan-European equity derivatives exchange, clearing futures and options based on ten Cboe Europe equity indices. Cboe Clear Europe brings efficiencies and cost savings to market participants and end investors, by allowing a broad range of pan-European index futures and options to be cleared at a single CCP.





# Membership Guide

Whether for Equities or Derivatives, if you wish to become a direct member of Cboe Clear Europe there are two membership options that you can choose.

You can either:

- 1. Become a General Clearing Participant (GCP)
- Become a **Direct** Clearing Participant (**DCP**)

GCPs clear trades for themselves and/or for firms that are not Cboe Clear Europe members (Trading Participants or TPs). DCPs clear only for themselves.

Trading Participants do not have direct access to Cboe Clear Europe and their activity is cleared and managed via a GCP. A wide range of brokers, international banks and investment firms already clear with Cboe Clear Europe.

#### Cboe Clear Europe's General Clearing Participants for Equities are:





**BofA Securities Europe S.A** 









**CACEIS Bank Spain SAU** 





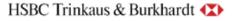




Goldman Sachs International



**Goldman Sachs Europe** 













Parel







Skandinaviska Enskilda Banken



## **Membership Guide**

Membership Options

#### **Choe Clear Europe's Direct Clearing Participants for Equities are:**















Barclays Capital Securities







Credit Suisse International



citigroup



(Europe) SA













Morgan Stanley

**Morgan Stanley Europe** 



**Morgan Stanley International** 

















## **Membership Guide**

Eligibility Criteria For Participation

## General Clearing Participants for Derivatives are:



Goldman Sachs

A **Clearing Participant** must be a Credit Institution, Bank or Investment Firm established or authorised in a jurisdiction

that is not considered by the European Commission and Council as having strategic deficiencies in its national antimoney laundering and counter financing of terrorism regime that poses significant threats to the financial system of the European Union.

Direct Clearing Participants for Derivatives are:

## Morgan Stanley

**Morgan Stanley** 



Eligibility requirements, including criteria for other types of institutions, are set out in Cboe Clear Europe's Clearing Rule Book Article 4.

If incorporated outside the EEA, additional requirements will apply.

The applicant must also meet the financial requirements as determined by Cboe Clear Europe.

A **General Clearing Participant** must at all times maintain such capital that is the higher of:

- (a.) EUR 25 million capital
- **(b.)** 20% of 30-day average Aggregate Margin requirement
- **(c.)** 20% of 250-day average Aggregate Margin requirement

A **Direct Clearing Participant** must at all times maintain such capital that is the higher of:

- (a.) EUR 7.5 million capital
- **(b.)** 20% of 30-day average Aggregate Margin requirement
- **(c.)** 20% of 250-day average Aggregate Margin requirement

There are additional IT requirements as set by Cboe Clear Europe, including but not limited to adhering to any IT security protocols and having the requisite controls, systems and procedures to maintain an adequate level of (cyber) security and prevent cyber incidents from impacting their networked counterparts.

## **Membership Guide**

Application Process

In addition to meeting the eligibility criteria set out in Cboe Clear Europe's Clearing Rule Book, each prospective clearing participant will be required to complete the admission process to our satisfaction.

#### The admission process broadly requires the:

- 1. Completion of Cboe Clear Europe's due diligence questionnaire.
- **2.** Completion of an application for accompanied by certain business information such as the company's certificate of incorporation, a list of authorised signatories and any other due diligence documentation requested by Cboe Clear Europe.
- **3.** Completion by Cboe Clear Europe of its risk assessment (which includes money laundering risk assessment.)

Cboe Clear Europe will aim to provide a response within one calendar month whether the application for membership has been successful. In the event that all documentation, including due diligence information that Cboe Clear Europe requires to approve your application, has not been satisfactorily supplied within the above period following submission of your formal application, Cboe Clear Europe will reject the application. It is therefore important that you have all the necessary documentation prepared accordingly.

## **Clearing Fund Contribution and Cost**

Cboe Clear Europe has an annual membership fee of 28,000 EUR for Equities. This membership provides access to all Cboe Clears services for Equities, ETFs and depository receipts on 19 Markets across 47 trade venues.

Cboe Clear Europe has an annual membership fee of 20,000 EUR for Derivatives. This membership provides access to all Future and Option contracts traded on CEDX. The membership fee will be waived for 2023.

For all Clearing Participants, there is a mandatory contribution to Cboe Clear Europe's Clearing Fund. There is a separate Clearing Fund for both Equities and Derivatives.

- ♦ For a General Clearing Participant: €3,000,000
- ♦ For a Direct Clearing Participant: €1,000,000

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## **Membership Guide**

The Membership & On Boarding Process

## 1. Application

The initial application confirms membership eligibility and the scope of the membership. The application will then be submitted to Cboe Clear Europe's Management Board for approval.

## 2. Setup and On-boarding

Following a successful application, Cboe Clear Europe will create a tailored package for onboarding and assist in setting up the member's account(s). A Clearing Participant will be requested to provide information on its exchange connections, post trade requirements, including settlement agents & PoA, netting options and collateral preferences. At this stage, we will also establish connectivity and provide the necessary training in regards to Cboe Clear Europe's features and functions.

## 3. Testing

Once the setup is agreed, the joining member can proceed to testing. Access to Cboe Clear Europe's testing system is free and full end to end testing with trading platforms through to settlement agent and CSDs can be provided.

# 4. Execution of the Clearing Participant Agreement and Membership Documentation

The applicant will need to execute the clearing participant agreement and provide additional necessary setup documentation as determined during the setup and on-boarding phase.

## 5. Go-Live

Once testing has been completed and the joining member has demonstrated a minimum level of competency, go live can be confirmed with trade venues. Clearing Fund contributions must be paid in advance of go live.

## **Membership Guide**

Fees and Penalties

Full details of Cboe Clear Europe's tariff are available in Cboe Clear Europe's Regulation Fees and Clearing Participants at **clear.cboe.com/europe/** A monthly invoice is sent which covers all charges accrued in the previous calendar month. The monthly invoice is collected by direct debit.

### **Ongoing KYC/AML Requirements and Monitoring**

Following a successful admission, Cboe Clear Europe's conducts ongoing monitoring assessments on all Clearing Participants on a periodic basis, to ensure that all Clearing Participants continue to meet Cboe Clear Europe's criteria for participation and risk appetite.

Clearing Participants will be requested to complete an annual Due Diligence questionnaire and provide certain KYC/AML documentation at least annually or upon request to ensure ongoing adherence to membership requirements.

Cboe Clear Europe may suspend or terminate a Clearing Participant's membership in the event that the relevant criteria for participation and/or risk assessments are no longer satisfied.

The conditions under which participation may be suspended or terminated are set out in Cboe Clear's Clearing Rules. Clearing Participants must inform Cboe Clear of any changes to its organisation.



## **Membership Guide**

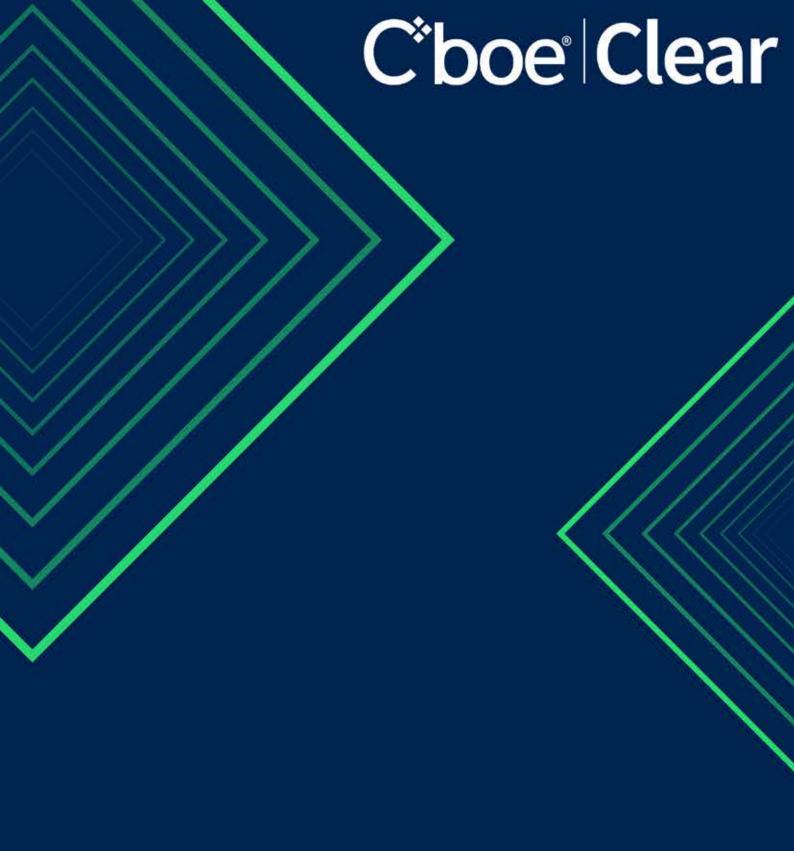
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#### The Team Will Help You With:

- Product and Service Enquiries
- Client On-boarding
- ◆ Business Development

- Billing
- ♦ Escalations
- Membership Enquiries
- Account Administration



Cboe Clear Europe N.V. is headquartered in Amsterdam and was formed in the Netherlands in December 2013 following the combination of European Multilateral Clearing Facility N.V. (EMCF) and European Central Counterparty Limited (ECCP Limited). On 1 July 2020, Cboe Worldwide Holdings Limited, an affiliate of the Cboe group, acquired 100% of Cboe Clear Europe.

Cboe Clear Europe is registered in the Dutch commercial register under number 34268194 and has its registered office at Strawinskylaan 1847, 1077 XX Amsterdam, The Netherlands. Cboe Clear Europe is a Limited Liability Company with share capital of EUR 7,500,000. Cboe Clear Europe has a branch office in London that is registered in the UK, as a UK Establishment with Company No. FC031747 and UK Establishment No. BR016817. Cboe

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