

Regulation Portability

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1. Introduction

This Regulation is enacted pursuant to and in accordance with articles 4.7.1 and 11.4.1 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 6 December 2022.

Changes to this Regulation will be implemented in accordance with the Changing Cboe Clear Rulebook & Regulations Procedure as published on Cboe Clear's website.

2. Purpose

This Regulation applies to:

1. Individual Client Position Accounts;
2. Omnibus Client Position Accounts;
3. Omnibus Indirect Client Position Accounts;
4. Individual Client Collateral Accounts;
5. Omnibus Client Collateral Accounts; and
6. Omnibus Indirect Client Collateral Accounts.

This Regulation sets out the conditions applicable to the porting of Open Positions and/or Collateral held by a defaulting Clearing Participant to the accounts of another Clearing Participant (the **Receiving Clearing Participant**).

Cboe Clear cannot facilitate the porting of Collateral pledged to Cboe Clear.

3. Portability

The conditions for porting of Open Positions and/or Collateral held in the name of a defaulting Clearing Participant on the books of Cboe Clear to the accounts recorded on the books of Cboe Clear in the name of another Clearing Participant are:

1. The request of the (indirect) Client concerned (or of all (indirect) Clients in an Omnibus (indirect) Client Collateral Account and in an Omnibus (indirect) Client Position Account);
2. The existence of clearing arrangements between the (indirect) Clients and the Receiving

Clearing Participant¹;

3. The unconditional acceptance of the Receiving Clearing Participant of all Open Positions;
4. A legal opinion on file provided by the Clearing Participant and capable of being relied on by Cboe Clear on the on-going validity of authority to port granted by the defaulting Clearing Participant and the (non) applicability of anti-deprivation and/or avoidance rules, or the written consent of the insolvency practitioner appointed for the defaulting Clearing Participant. This does not apply to the porting of Derivatives Contracts of Clearing Participants located in the Netherlands; and
5. Evidence to Cboe Clear's satisfaction in its sole discretion that all pending settlements with the defaulting Clearing Participant will be cancelled, and that new equivalent instructions with the back-up Clearing Participant will settle with good value.

A time window of four (4) hours for ascertaining whether these conditions are met applies. This time window commences as from the sending of the Notice of Default.

If Cboe Clear, in its sole discretion, is of the opinion that the requirements are not met and will not be met within this timeframe, Cboe Clear can proceed with the applicable measures in case of a declaration of a default foreseen in the Clearing Rule Book without further delay.

¹ The alternative clearing arrangements are not necessarily required to be in place prior to the issuance of the Notice of Default, but must be in place prior to any actual porting. However, if these arrangements are not in place ahead of the issuance of the Notice of Default, the likelihood of porting will be further reduced.