SUGGESTED CHANGES TO THE RULES AND REGULATIONS OF NASDAQ OMX DERIVATIVES MARKETS

Implementation 25 March 2013*

*Please note that the new rules will only apply to a Clearing Member once the member has migrated to the new Collateral Management Service (CMS). For Direct Pledging Customers, the changes will take effect when such Customer has migrated to the new CMS.

If you have any questions regarding your company’s migration to CMS (dates, etc.), please contact Collateral Management Service at NASDAQ OMX Stockholm AB, cms@nasdaqomx.com or +46 8 405 6266.
NASDAQ OMX publishes the final proposal for updated Rules and Regulations of NASDAQ OMX Derivatives Markets in relation to its new Collateral Management Service (CMS) and revised account structure with improved segregation and portability. The changes are mainly a result of new regulatory requirements under EMIR.

This update of the Rules covers the following main areas:

- The new Collateral Management Service, where collateral will be provided by Clearing Members and Direct Pledging Customers directly to custody accounts held by such member/customer with the Clearing House.
- The introduction of a new account, the Individual Client Segregated Account (ICA), complying with segregation requirements under EMIR.
- The introduction of new rules regarding portability of Contracts on Omnibus Accounts, Individual Client Segregated Accounts and Direct Pledging Customer’s Accounts in the event of a Clearing Member’s default.

A summary of the changes can be found below. For complete versions of the suggested changes to the Rules (including track changes), please go to:


The new Collateral Custody Account Agreement and its General Terms will be published at:

http://www.nasdaqomx.com/europeanclearing/ where you can also find more information about CMS. If you have any questions regarding your company’s migration to CMS (dates, etc.), please contact Collateral Management Service at NASDAQ OMX Stockholm AB, cms@nasdaqomx.com or +46 8 405 6266.

The updated Rules will be implemented on 25 March 2013, but will only apply to the individual Clearing Member once the member has migrated to the new CMS. For Direct Pledge Customers, the changes will take effect once such Customer has migrated to the new CMS.
GENERAL REGULATIONS (CHAPTER 1)

1) Section 1.3, 1.6 and 1.7: Changes made to reflect that the Clearing House takes over the administration of the Direct Pledging Customers from CCAB and that the identity of such customers will be known to the Clearing House. Further changes made to clarify the provisions regarding Direct Pledging Customers and Indirect Pledging Customers generally.

2) Section 1.9.12, 1.9C (new) and 1.9D (new): Two appendices added to handle portability in respect of (i) Omnibus Accounts and Individual Client Segregated Accounts (ICA) as well as (ii) Direct Pledge Accounts.

CLEARING REGULATIONS (CHAPTER 3)

3) Section 3.5: Changes made to clarify our account structure. The accounts have been categorized in House Accounts for the member’s clearing for its own account, Customer Accounts (Direct Pledge and Indirect Pledge Accounts) for clearing on behalf of Direct Pledging Customers and Indirect Pledging Customers, and Client Accounts for the member’s clearing in respect of the member’s clients. Changes are also made to introduce the new account, the Individual Client Segregated Account. Furthermore, in 3.5 the Margin Requirement Account concept has been introduced.

4) Section 3.7: Changes made to reflect the introduction of our new Collateral Management Service, where collateral is provided to custody accounts held with the Clearing House as custodian. The Collateral Custody Account Agreement and its General Terms will be published at http://www.nasdaqomx.com/europeanclearing/.

5) Section 3.10: Smaller change to better reflect our segregation model in relation to cash settlement flows.

6) Section 3.11: Changes made to reflect the revised account structure and certain new defined terms. Furthermore, Clearing Account Administrators’ liability in respect of Direct Pledge Accounts has been clarified with no material change intended.

DEFINITIONS

7) New definitions including Client, Collateral Custody Account, Direct Pledge Account, Direct Pledging Customer, House Account, Indirect Pledge Account, Indirect Pledging Customer, Individual Client Segregated Account and Margin Requirement Account have been included and other definitions have been revised. Note that old Segregated Accounts will be called Single-client Accounts following the rule update. In the new rules Segregated Accounts will be a common term for Omnibus Accounts and Individual Client Segregated Account.
APPENDICES

8) Appendix 1 Exchange and Clearing Member Agreement
   Changes made to reflect the new CMS, the revised account structure and the changed administration of Direct Pledging Customers. Old Clearing Members are not required to enter into a new Member Agreement.

9) Appendix 2 Customer Agreements B1 and B2
   Changes made to reflect changes in relation to Direct Pledging Customers.

10) Appendix 29 Supplemental default rules for Contracts Recorded on Segregated Accounts
    Sets out the portability rules regarding Omnibus and Individual Client Segregated Accounts.

11) Appendix 30 Supplemental default rules for Contracts Recorded on a Direct Pledge Accounts
    Sets out the portability rules regarding Direct Pledge Accounts.