



**ATHEXCLEAR**  
*Εκκαθάριση Συναλλαγών*

## **Rulebook for Clearing Derivatives Transactions**

*Version 2.2*

*November 2017*

In accordance with article 73 of Law 3606/2007, decision 103/28.7.2014 of the Board of Directors of "Athens Exchange Clearing House S.A." (ATHEXClear) and approval decision 1/704/22-01-2015 of the Hellenic Capital Market Commission (HCMC).

1<sup>st</sup> Amendment

In accordance with the decision dated 27.11.2017 of the Board of Directors of ATHEXClear, which was approved by virtue of decision 804/21.12.2017 of the Hellenic Capital Market Commission (Government Gazette B/4655/29.12.2017)

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## Scope of the Rulebook

1. From the date of entry into force of the decision of the Hellenic Capital Market Commission to approve this Rulebook, as well as any amendments hereto, the Rulebook, as applicable each time, shall, in accordance with Law 3606/2007, be binding on Market Operators, Market Members, Clearing Members, the ATHEXCSD, Operators, such other systems as work with ATHEXClear and payment and settlement bodies, including all such other person as is connected to the trades cleared by ATHEXClear, or to the clearing and settlement of such trades.
2. Upon submission of application to become a Clearing Member, Market Member or Operator, the applicant shall adhere to all provisions of the Rulebook and undertakes all obligations arising thereof. This Rulebook shall, in any case, be deemed to be complied with by any person under point 1 above as of its entry into force pursuant to the terms included herein.
3. Where in this Rulebook provision is made for obligations incurred by persons who are not Clearing Members, Market Members or Operators, but are contractually linked to them, for instance as clients of members of the Board or performance assistants or agents, the Clearing Members, Market Members and Operators, as appropriate, should ensure in an appropriate manner and in accordance with any suggestions of ATHEXClear that such persons are bound by the provisions of and their obligations under the Rulebook.
4. Adequate knowledge and observance of the rules of this Rulebook shall be an independent obligation of the persons mentioned in the preceding paragraphs, this however shall not under any circumstances exempt them from other obligations arising from the law or imposed by the competent, if applicable, supervisory authority.
5. The provisions of the Rulebook shall be construed in good faith, in accordance with fair trade practice and accepted practices of the capital market, with a view to ensuring the proper and smooth functioning of the financial system. Applicable to this Rulebook are in particular the provisions of Articles 173, 193, 196, 200 and 288 of the Civil Code. Where any provision hereof becomes void, this shall, for any reason, affect the validity and binding nature of the remaining provisions of the Rulebook.
6. Unless otherwise expressly stipulated in this Rulebook, whenever reference is made herein to laws, resolutions or regulations, including, as a general rule, texts with institutional content, which shall also include Union legislation, such laws, directives, resolutions or regulations shall be meant as they are in force from time to time. Where this Rulebook is referenced, such Rulebook shall be meant as is in force each time.

## SECTION I. DEFINITIONS - GENERAL PROVISIONS

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### PART 1. Definitions

For the purposes of implementing this Rulebook the following definitions shall apply:

**Securities Market:** The regulated Securities Market of ATHEX operating in accordance with the provisions of the ATHEX Rulebook and the Alternative Market operating in accordance with the Alternative Market Operating Rules, which have been duly licensed by the Hellenic Capital Market Commission, are governed by national law and whose transactions are cleared by ATHEXClear in accordance with the Rulebook For Clearing Transactions in Book-Entry Securities.

**Derivatives Market:** The Derivatives Market of ATHEX which has been duly licensed by the Hellenic Capital Market Commission, operates in accordance with the provisions of the Athens Exchange Rulebook and is governed by national law, whose transactions are cleared by ATHEXClear in accordance with provisions in force and the stipulations set out herein. Wherever in this Rulebook the term 'Derivatives Market' is referred to in the singular or plural, such reference shall be to both or either of the aforesaid markets as appropriate, unless otherwise expressly stated.<sup>1</sup>

**Market:** The Derivatives Market and the Securities Lending Mechanism. Wherever in this Rulebook the term Market is referred to in the singular or plural, it shall mean all of these markets or each one, as appropriate, unless otherwise expressly stated.

**Competent Authorities:** The authorities responsible for the supervision of the person to which they report, as appropriate, in accordance with the scope and specific terms hereof.

**Securities lending or borrowing:** The lending or borrowing of securities or the sale or purchase of securities under buy back or sell back agreements as arising from the transactions on securities lending products in the Securities Lending Mechanism of ATHEX.

**Data Sheet:** The sheet kept daily by the Clearing Member per client in a durable medium that guarantees safe keeping, with all data and information in relation to the clearing and settlement of transactions and positions of the client, including but not limited to outstanding transactions and positions of the client in connection with the clearing procedures, as they arise at the end of each clearing day and risk calculation in accordance with the terms hereof, the performance rights and obligations of the client in connection with these positions, the collateral provided by the client, the transactions on and records of the client's accounts in relation to the clearing and settlement of transactions, as well as any other relevant information that ATHEXClear may decide to specify, also establishing any relevant technical term in relation to implementation.

**Intermediary:** An Undertaking providing Investment Services or a credit institution within the meaning of Law 3606/2007 and Directive 2004/39/EC conducting, through Market Members,

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<sup>1</sup> The definition of 'Derivatives Market' was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.



transactions in its own name but on behalf of clients, the positions resulting from which are held through Client Position Accounts under the terms of this Rulebook.

**Market Operator:** The public limited company "Hellenic Exchanges - Athens Exchange S.A." (Athens Exchange or ATHEX) which administers the Derivatives Market of ATHEX and whose transactions are cleared by ATHEXClear in accordance with provisions in force and the stipulations set out herein.<sup>2</sup>

**Operator:** An Undertaking providing Investment Services or a credit institution within the meaning of Law 3606/2007 and Directive 2004/39/EC conducting the aggregate execution of client orders in managing client portfolios pursuant to applicable provisions.

**Special Own Resources:** The amount made available by ATHEXClear to cover Clearing Member default which is used after the use of its share account in the default fund to cover and before making use of shares accounts in the Default Fund of non-default Clearing Members in accordance with the terms hereof.

**Clearing Member:** An Undertaking, in particular within the meaning of Law 3606/2007 and Directive 2004/39/EC, providing Investment Services or credit institution involved in the System for the clearing and settlement of transactions cleared by ATHEXClear and who is responsible vis-a-vis ATHEXClear to fulfill any obligations arising from this participation in accordance with the terms hereof. Where reference is made in this Rulebook to the term "Clearing Members", in the singular or plural, this shall mean both Direct Clearing Members and General Clearing Members, as defined in this Rulebook or each one, as appropriate, unless otherwise expressly stated.

**Investor:** A natural or legal person or other legal arrangement that has, under the law that governs it, trading capacity, including but not limited to mutual funds or funds according to applicable provisions, for which an Investor Position Account is kept pursuant to the terms hereof.

**Risk Committee:** The committee that is composed of representatives of Clearing Members, independent members of the Board of ATHEXClear and representatives of its clients, as specified by the terms of this Rulebook. Such committee functions in accordance with the terms hereof and the provisions set out in Regulation (EU) No 648/2012.

**ATHEXClear:** The public limited company under the name Athens Exchange Clearing House SA and trading under ATHEXClear, acting as a central counterparty (CCP), within the meaning of Regulation (EU) No 648/2012 and System Operator under Law 3606/2007 regarding the clearing of transactions in accordance with the provisions in this Rulebook

**ATHEXCSD:** ATHEXCSD shall mean such public limited company as shall act as DSS Administrator and Central Securities Depository under applicable law and in particular Law 3756/2009, and has the name "Hellenic Central Securities Depository SA".

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<sup>2</sup> The definition of 'Market Operator' was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

**Market Rulebook:** The Athens Exchange (ATHEX) Rulebook of Law 3606/2007 with regard to the Derivatives Market and the Securities Lending Mechanism of ATHEX.<sup>3</sup>

**DSS Regulation:** The Regulation governing the Operation of the DSS drawn up pursuant to Resolution No 3/304/10.6.2004 of the Board of Directors of the HCMC as in force.

**Rulebook:** This Rulebook for Clearing Derivatives Transactions prepared by ATHEXCLEAR in accordance with applicable provisions. Where reference is made in this Rulebook to the term Rulebook, this shall also mean the Resolutions adopted in implementing the Rulebook.

**Default Fund:** The pre-funded fund operating under Regulation (EU) No 648/2012 and Law 3606/2007 managed by ATHEXCLEAR to protect the system from credit risks of Clearing Members, as such risks arise from clearing, under the terms of this Rulebook.

**Transferable Securities:** Such transferable securities as are, in respect of a Derivative Trading Code: The trading code handled by a Market Member for each Market to trade in the Market as specified in each case in the Market Rulebook.

**Securities Account:** The Securities Account of a DSS Share Account within the meaning of the DSS Regulation, including the Special Account and the Interim Accounts in accordance with the above Regulation. Wherever in this Rulebook reference is made to the term Securities Account, this shall mean the Securities Account of a DSS Share Account regardless of class.

**Securities Settlement Account:** The account held by the Operator in the DSS or, where appropriate, in another equivalent system for the settlement of transactions on securities in accordance with the terms hereof. For the purposes of this Rulebook, Operator Accounts in the DSS shall be considered Securities Settlement Accounts.

**Own Clearing Account:** The account held by a Clearing Member in its name in the System to clear its own transactions in accordance with the terms hereof.

**Clients Clearing Account:** The Direct Clients Clearing Account and the Indirect Clients Clearing Account, as the case may be. Unless otherwise specified in this Rulebook, any reference to the term 'Clients Clearing Account' shall be to the Direct Clients Clearing Account and the Indirect Clients Clearing Account jointly.<sup>4</sup>

**Direct Clients Clearing Account:** The account held by a Clearing Member in the System for its direct clients for clearing the transactions of the relevant clients in accordance with provisions in force and the stipulations of this Rulebook.<sup>5</sup>

**Indirect Clients Clearing Account:** The account held by a Clearing Member in the System exclusively for the clients of Clients (indirect clients), where Clients are investment firms or

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<sup>3</sup> The definition of 'Market Rulebook' was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

<sup>4</sup> The definition of 'Clients Clearing Account' was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

<sup>5</sup> The definition of 'Direct Clients Clearing Account' was added as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

credit institutions, for clearing the transactions of the relevant clients in accordance with Commission Delegated Regulation (EU) 2017/2154 and the provisions of this Rulebook.<sup>6</sup>

**Client Clearing Account:** The account held by a Clearing Member in the name of a Client in the System to clear its Client's transactions in accordance with the terms hereof.

**Clearing Account:** Own Clearing Account, Clients Clearing Account, and Client Clearing Account. Wherever in this Rulebook reference is made to the term Clearing Account, in the singular or plural, it shall mean all of the above Clearing Accounts, or each one, as appropriate, unless otherwise expressly stated.

**Operator Position Account:** Account in the System linked to Clearing Subaccount of the Clearing Member through which positions arising from transactions of centralized execution of orders of the Operator, which have not been allocated to its clients' Trading Codes, as conducted based on the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**Market Maker Position Account:** The account in the System associated with the Clearing Subaccount of the Clearing Member through which Market Maker positions arising from market making transactions in accordance with the ATHEX Rulebook pursuant to the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**ETF Market Maker Position Account:** The account in the System associated with the Clearing Subaccount of the Clearing Member through which Market Maker positions, ETFs arising from market making transactions in accordance with the ATHEX Rulebook pursuant to the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**Derivatives Market Maker Position Account:** The account in the System associated with the Clearing Subaccount of the Clearing Member through which Derivatives Market Maker positions arising from market making transactions in accordance with the Market Rulebook pursuant to the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**Depository Receipts Market Maker Position Account:** The account in the System associated with the Clearing Subaccount of the Clearing Member through which Warrants Market Maker positions arising from market making transactions in accordance with the ATHEX Rulebook pursuant to the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**Structured Products Market Maker Position Account:** The account in the System associated with the Clearing Subaccount of the Clearing Member through which Structured Products Market Maker positions, ETFs arising from market making transactions in accordance with the ATHEX Rulebook pursuant to the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

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<sup>6</sup> The definition of 'Indirect Clients Clearing Account' was added as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEX Clear.

**Investor Position Account:** The account in the System associated with a Clients or Client Clearing Subaccount of the Clearing Member through which positions for the Investor arising from transactions conducted pursuant to the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member. For the purposes of determining the Investor Position Account corresponding to a Client Clearing Subaccount and Client Clearing Account, the Investor shall be taken to be the Client.

**Own Position Account:** The account in the System associated with an Own Clearing Subaccount of the Clearing Member through which own positions of the Clearing Member arising from transactions conducted pursuant to the Credit Limit of the relevant Own Clearing Subaccount, are registered as declared by the Clearing Member. The above own positions shall not include any positions that may be held by the Clearing Member and registered in a Member Position Account of the Clearing Member in accordance with the terms hereof.

**Member Error Position Account:** Account in the System linked to Clearing Subaccount of the Clearing Member through which positions arising from transactions of erroneous execution of orders of a Market Member, as conducted based on the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**Securities Market Member Position Account (fail trades):** Account in the System linked to the Clearing Subaccount of the Clearing Member through which positions of the clearing member in the clearing system of the Securities Market arising from securities lending transactions conducted in the Securities Lending Mechanism to cover fail trades in the Securities Market based on the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**Member Position Account:** Derivatives Market Maker Position Account, Market Maker Position Account, ETF Market Maker Position Account, Structured Products Market Maker Position Account, Warrants Market Maker Position Account, Securities Market Position Account, Operator Position Account, and Member Error Position Account. Wherever in this Rulebook reference is made to the term Member Position Account it shall mean all of the above Position Accounts, or each one, as appropriate, unless otherwise expressly stated.

**Clients Position Account:** The account in the System associated with a Clients Clearing Subaccount of the Clearing Member through which positions of the Intermediary's clients arising from transactions conducted under the Market Rulebook pursuant to the Credit Limit of the relevant Clearing Subaccount, are registered as declared by the Clearing Member.

**Position Account:** Own Position Account, Derivatives Market Maker Position Account, Market Maker Position Account, ETF Market Maker Position Account, Structured Products Market Maker Position Account, Warrants Market Maker Position Account, Securities Market Position Account, Clients Position Account, Operator Position Account, Member Error Position Account, and Investor Position Account. Wherever in this Rulebook reference is made to the term Position Account it shall mean all of the above Position Accounts, or each one, as appropriate, unless otherwise expressly stated.

**Operator Account:** The Securities Account Operator Account used by the Operator in the DSS under the DSS Regulation.

**Cash Settlement Account:** The account and any form of subaccount of such account held with a Settlement Agent for ATHEXClear, ATHEXCSD, Clearing Members or other Operators in

accordance with this Rulebook and is used for the conduct of the cash settlement of transactions.

**Securities Market Member:** An Undertaking providing Investment Services or a credit institution participating in the Securities Market for trades under the rules governing the functioning of the Market.

**Market Member:** An Undertaking providing Investment Services or a credit institution participating in the Market for trades under the Rulebook of such Market.

**Share Accounts (DSS):** The Share Accounts held with the DSS in accordance with the DSS Regulation, such as, in particular, the Investor Share Account, the Common Investor Share Account, the Member Share Account and, the various forms of Market Maker Share Accounts. Wherever in this Rulebook reference is made to the term Share Account within the meaning of the DSS Regulation, this shall mean a Share Account in the DSS regardless of class, unless otherwise expressly stated.

**Securities Lending Mechanism:** The ATHEX Securities Lending Mechanism which operates in accordance with the ATHEX Rulebook as a form of securities financing, notably as securities lending or contract of sale or purchase of securities under a buy back or sell back agreement, within the meaning of Article 2(10) of Commission Regulation (EC) No 1287/2006 and is governed by national law and whose transactions are cleared by ATHEXClear as provided for in this Rulebook.

**Non-Clearing Member:** A Market Member that does not have the capacity of a Clearing Member and cooperates, for the clearing of the transactions it conducts on the Market, with at least one General Clearing Member in accordance with the terms hereof.

**Position Limit:** The limit set by ATHEXClear to Clearing Members as to the possibility of opening a position or keeping a position from transactions as provided for in this Rulebook.

**Derivatives or Derivatives transactions (contracts):** Financial instruments listed in Annex I Section C points 4-10 of Directive 2004/39/EC, as implemented in Articles 38 and 39 of Commission Regulation (EC) No 1287/2006, which have been or are admitted in a Derivatives Market and cleared by ATHEXClear under the terms of this Rulebook.

**Client:** An undertaking having a contractual relationship with a Clearing Member, which enables the undertaking to clear its transactions with ATHEXClear in accordance with provisions in force and the stipulations of this Rulebook.<sup>7</sup>

**Margin:** The margin defined in Regulation No 648/2012 and Commission Delegated Regulation (EU) 153/2013, provided to ATHEXClear to secure their respective obligations vis-a-vis the latter, as they result by Clearing Account in accordance with the terms hereof.

**Certified Clearer:** The natural person who has been certified by ATHEXClear to perform clearing and settlement operations at a Clearing Member.

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<sup>7</sup> The definition of 'Client' was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

**Credit Limits:** The prefunded limits set by ATHEXCLEAR to Clearing Members in connection with the possibility of Market Members entering orders and making transactions in the Market by the Market Members participating in it pursuant hereto.

**Securities Lending Products:** Securities financing transactions, notably transactions involving security lending or purchase or sale under buy back or sell back agreements within the meaning of Article 2(10) of Commission Regulation (EC) No 1287/2006 carried out in the Securities Lending Mechanism and cleared by ATHEXCLEAR as provided for in this Rulebook.

**Derivative Series:** Class of listed derivative, determined in particular on the basis of the underlying security, on the date of expiration of a specified time limit or on the basis of the exercise price.

**Board:** The Board of Directors of ATHEXCLEAR functioning in accordance with applicable provisions, in particular Law 2190/1920, Regulation (EU) 648/2012 and Law 3606/2007, and in general the statutory provisions governing ATHEXCLEAR.

**Dematerialized Securities System (DSS):** The system for keeping transferable securities in book entry form that is managed by the ATHEXCSD as Central Securities Depository and DSS Administrator pursuant to applicable provisions, in particular Law 3756/2009 and the DSS Regulation.

**System:** The system for clearing transactions on Derivatives managed by ATHEXCLEAR and which is governed by national law, through which ATHEXCLEAR, as central counterparty and System administrator, pursuant to applicable provisions, clears trades on the Derivatives Markets as specified herein. The above definition also includes the operation of the OASIS electronic clearing system. This shall also include such technical and support procedures as are linked to it and which ATHEXCLEAR employs for clearing purposes following the procedures it has in place.

**Own Clearing Subaccount:** Clearing Account of the Own Clearing Account of a Clearing Member held in the System for purposes of registration and allocation of the Credit Limit of the relevant Clearing Account in accordance with the terms hereof.

**Clients Clearing Subaccount:** The Clearing Subaccount of a Direct Clients Clearing Account or the Clearing Subaccount of an Indirect Clients Clearing Account of a Clearing Member as the case may be. Unless otherwise stipulated in this Rulebook, any reference to the term 'Clients Clearing Subaccount' shall be to the Direct Clients Clearing Subaccount and the Indirect Clients Clearing Subaccount jointly.<sup>8</sup>

**Direct Clients Clearing Subaccount:** The Clearing Subaccount of a Direct Clients Clearing Account of a Clearing Member, which is held in the System for the purpose of registering and allocating the Credit Limit of the relevant Direct Clients Clearing Account in accordance with the provisions of this Rulebook.<sup>9</sup>

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<sup>8</sup> The definition of 'Clients Clearing Subaccount' was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

<sup>9</sup> The definition of 'Direct Clients Clearing Subaccount' was added as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.



**Indirect Clients Clearing Subaccount:** The Clearing Subaccount of an Indirect Clients Clearing Account of a Clearing Member which is held in the System for the purpose of registering and allocating the Credit Limit of the relevant Indirect Clients Clearing Account in accordance with the provisions of this Rulebook.<sup>10</sup>

**Client Clearing Subaccount:** Clearing Account of the Client Clearing Account of a Clearing Member held in the System for purposes of registration and allocation of the Credit Limit of the relevant Clearing Account in accordance with the terms hereof.

**Clearing Subaccount:** The Own Clearing Subaccount, Clients Clearing Subaccount and Client Clearing Subaccount. Wherever in this Rulebook reference is made to the term Clearing Subaccount, in the singular or plural, it shall mean all of the above Subaccounts, or each one, as appropriate, unless otherwise expressly stated.

**Cash Settlement Agent:** Central Bank or other payment or settlement system operator under Law 2789/2000 and Directive 98/26/EC or credit institution under Law 4261/2014 and Directive 2013/36/EU through which the cash settlement of transactions cleared by ATHEXClear are settled in accordance with the terms hereof and the relevant settlement procedures.

**Operator:** The DSS Operator within the meaning of the DSS Regulation involved in transaction settlement procedures in accordance with the terms hereof Rules and the DSS Regulation.

## PART 2. General provisions

### 2.1. ATHEXClear duties and responsibility

1. With regards to transactions on Derivatives performed on the Derivatives Market and the Securities Lending Mechanism hereunder, ATHEXClear shall, as CCP and System Operator, be responsible for clearing such transactions in accordance with applicable provisions. Wherever in this Rulebook reference is made to the term Transactions it shall mean the transactions of both of the above markets or each one, as appropriate, unless otherwise expressly stated. The general characteristics of derivatives and securities lending products are established in Annex I to this Rulebook. Any change to the terms and characteristics of their operation or addition of new ones under the Market Rulebook, such change or addition shall apply for the purposes of implementing this Rulebook without requiring an amendment to the Annex, subject to the provisions of Articles 3.3 and 3.4. of PART 3 of this SECTION.
2. Clearing shall be effected through the System in respect of which the provisions of Law 2789/2000 and Directive 98/26/EC of the European Parliament and the Council regarding settlement finality shall apply.
3. ATHEXClear shall be responsible for clearing transactions as central counterparty, while clearing responsibility vis-a-vis ATHEXClear shall lie with the Clearing Members as is specifically provided for in this Rulebook.

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<sup>10</sup> The definition of 'Indirect Clients Clearing Subaccount' was added as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

4. Clearing shall be performed by ATHEXCLEAR through the System using electronic systems and related processes. ATHEXCLEAR shall perform algorithm-based clearing, determining the settlement rights and corresponding obligations arising from transactions in accordance with the terms hereof.
5. The settlement of transactions, including any kind of transfer on Transferable Securities arising from clearing shall be conducted by the ATHEXCSD by delegation given by ATHEXCLEAR, implementing the settlement finality provisions of Law 2789/2000 and Directive 98/26/EC of the European Parliament and the Council. The settlement of transactions shall be made on the basis of ATHEXCLEAR records it transmits to the ATHEXCSD on a daily or other temporary basis using electronic systems. The ATHEXCLEAR shall participate in the settlement of transactions as a central counterparty. Cash settlement shall be carried out with the participation of one or more cash settlement Agents in accordance with the procedures of ATHEXCLEAR taking account of the currencies and settlement conditions applicable to transactions.
6. ATHEXCLEAR shall take appropriate steps to prevent operational problems in the systems it manages and seek to repair failures or malfunctions as soon as possible pursuant to applicable provisions. In this context, it shall have in place an adequate uninterrupted operation policy and disaster recovery plan for the purpose of remaining operational following destruction, timely recovery of operations and discharge of its duties as central counterparty in accordance with applicable provisions. In case of malfunction problems in the systems used for clearing or other extraordinary events or force majeure affecting clearing, clearing shall be carried out using alternative methods established by ATHEXCLEAR under its policies and procedures in accordance with applicable provisions in order to ensure the uninterrupted operation of its systems and continuation of clearing operations.
7. In any case, ATHEXCLEAR shall not assume contractual or non-contractual liability, except for willful misconduct or gross negligence. It may not be held liable:
  - 1) for any losses that may be incurred by Clearing Members, Market Members, Operators or any third party due to events caused by force majeure, including but not being limited to war, strikes, movements, riots, civil unrest, epidemics, power cuts, shortage of fuel or raw materials, non-functioning, malfunctioning or breakdown of communication systems and, in general, electronic systems, requisition, fire, flood, transport failure or other causes beyond the control of ATHEXCLEAR;
  - 2) for redressing losses incurred by a Clearing Member, Operator, Market Member or any third party, caused due to failure of the System computers, from any cause, even temporary, due to loss of data contained in the System or due to any fraudulent use of the System or its data by third parties not attributable to willful misconduct or gross negligence in terms of fulfillment by ATHEXCLEAR of its duties for uninterrupted operation in accordance with applicable provisions.

## **2.2. Governing bodies of ATHEXCLEAR**

1. The administration of ATHEXCLEAR shall be performed by the Board. The Board may, in implementing this Rulebook, create specific bodies and assign to them competencies relating to the application of the stipulations contained herein.



## 2.3. Transaction records

1. ATHEXCLEAR shall keep for a period of at least ten (10) years:
  - 1) all records relating to services delivered and activities performed in connection with the clearing operations it conducts in accordance with this Rulebook;
  - 2) from the expiry of each contract and positions in derivatives and securities lending products, as defined by their operational characteristics under the Market Rulebook, all information relating to them as they are cleared, including the relevant registrations and entries in the Clearing Accounts, Clearing Subaccounts and Position Accounts, in accordance with the terms of this Rulebook. Such information shall enable, as a minimum, identifying the original terms of a transaction, based on the data of the Market Operator, before the transaction is cleared by ATHEXCLEAR.
2. All kinds of records and information shall be held by ATHEXCLEAR considering Articles 12-14 of Commission Delegated Regulation (EU) 153/2013 of the European Commission.
3. ATHEXCLEAR shall make available to the HCMC and, upon request, to Competent Authorities, as appropriate, as provided for under applicable provisions, the files and information mentioned in the preceding paragraphs, as well as all information about the positions of contracts cleared hereunder.
4. Clearing Members must keep all manner of data and information related to the provision of clearing services regarding their clients, including in particular the Data Sheet for a period of at least ten (10) years.
5. ATHEXCLEAR may, by decision, specify any technical subject and procedural detail regarding the keeping of the records envisaged in the preceding paragraphs and fix such technical specifications as it sees fit for the enforcement of applicable provisions.

## 2.4. Notifications

ATHEXCLEAR shall inform the HCMC and the Market Operator where mismatches occur between the codes and accounts declared during clearing or in cases where they are not properly used in accordance with the provisions hereof and the relevant ATHEXCLEAR procedures, where a Clearing Member or Operator fails to perform its obligations in connection with clearing and settlement, and in any other case established hereunder or deemed necessary by ATHEXCLEAR.

## 2.5. Secrecy

1. The functioning of the System shall be governed by the provisions on professional secrecy of Article 81 of Law 3606/2007.
2. ATHEXCLEAR may provide information registered by it in cases where such provision is established by applicable provisions or deemed necessary for the implementation of this Rulebook, the Market Rulebook or the DSS Regulation.

## 2.6. Technical implementation details

1. Each procedural or technical detail concerning the implementation of the provisions hereof is set out by decision of the ATHEXCLEAR Board and implementing

the procedures ATHEXCLEAR has in place. Such decisions and relevant procedures shall be binding on the persons that fall in the Scope of the Rulebook in accordance with the terms provided therein and in accordance with the terms of their validity. Whenever reference is made in this Rulebook to decisions or other actions of ATHEXCLEAR, the provisions of this paragraph shall apply, unless otherwise stated expressly.

2. Such decisions shall be posted on the website of ATHEXCLEAR in Greek and in English.

### **PART 3. Conditions for the undertaking of clearing operations by ATHEXCLEAR**

#### **3.1. Derivatives eligibility criteria**

1. ATHEXCLEAR shall undertake the clearing of derivatives admitted to trading on the Derivatives Market under the terms hereof, provided the necessary conditions are ensured regarding the eligibility of derivatives as standardized trading instruments for the needs of orderly and safe conduct of trading, clearing and settlement of derivatives.
2. In particular, for the purposes of undertaking clearing operations ATHEXCLEAR shall take into account:
  - 1) In cases of derivatives whose underlying securities are transferable securities traded on a trading venue within the meaning of Article 2(4) of Regulation (EU) No 648/2012:
    - (i) the rules governing the venue where the transferable securities are traded, in addition to the clearing and settlement rules that are applicable to such venue, particularly for derivatives settled physically;
    - (ii) the marketability of transferable securities;
    - (iii) the free float of transferable securities; and
    - (iv) other trading criteria defined on a case by case basis by ATHEXCLEAR.
  - 2) In cases of derivatives whose underlying securities are stock or other indexes, the rules for managing and calculating the index prices of the relevant stock exchange or the agent responsible for preparing, managing and calculating the value of the relevant index. Such rules should in any case provide the guarantees for fair and objective-criteria-based management and calculation of the prices of indexes, and set procedures for the publication of those prices;
  - 3) The liquidity of the underlying asset of the Derivative;
  - 4) Any other criterion or information relating to the operation of derivative, such as for instance the existence of a specific trading or other guarantees of market liquidity, the adequacy of members participating in the market, the overall operating conditions of derivative trading, clearing and settlement.
3. ATHEXCLEAR may establish, by decision, specific criteria as to the characteristics of the derivatives it may undertake for clearing, such as the requirements as to the suitability of the underlying securities of the derivative (such as marketability or

free float limits for the underlying securities, or volatility limits for the price of the underlying security, transparency terms in the calculation of the prices of the underlying index or other underlying security), and in general as to the correct operation of the derivative.

### **3.2. Eligibility criteria for securities lending products**

ATHEXClear shall undertake the clearing of securities lending products admitted in the Securities Lending Mechanism provided that the necessary conditions for the orderly conduct of their trading, clearing and settlement are guaranteed as prescribed in the Market Rulebook governing it and in accordance with such conditions and procedures as ATHEXClear may, by decision, put in place.

### **3.3. Procedural conditions for undertaking the clearing of derivatives or securities lending products**

ATHEXClear shall undertake the clearing of a derivative or securities lending product under the following conditions:

1. For the Market Operator to resolve to admit to trading a derivative or securities lending product, as appropriate, the Board of ATHEXClear shall issue an opinion to that respect to the Market Operator in particular regarding:
  - 1) the characteristics of admission of the derivative or securities lending product, the settlement currency and other terms of clearing and settlement of the derivative or securities lending product that classify it as a means of transaction;
  - 2) any special term for admission determining the operation of the derivative, including but not limited to the procedure of admission of series for trading in terms of the derivative, the method of calculation of the daily clearing or closing price per trading series for the derivative, the market making terms for the derivative, the method for adjusting the rights and obligations arising out of the derivative in cases of corporate actions or other events that affect the underlying security, and in general the characteristics of the derivative;
  - 3) any specific term that determines the function of the securities lending product, such as for instance the indicative lending rate, the methodology of trading to determine the interest rate on transactions, the revaluation of positions in securities lending products in case of corporate actions and the income generated from them or other events affecting the underlying lending securities and in general its characteristics.
2. Following the adoption of decision by the Market Operator for the admission to trading of a Derivative or Securities Lending product conditional on all legal terms being adhered to, ATHEXClear shall verify whether all necessary procedures have been completed, with regards to the performance of trading, clearing and settlement pursuant to such decision;
3. Upon completion of the above procedures, ATHEXClear shall undertake the clearing of the derivative or securities lending product to be admitted, after having first informed the Market Operator.

**3.4. Procedural conditions for modifying the terms of operation of a listed derivative**

1. For the modification of the characteristics or specific terms of a derivative or securities lending product admitted for trading and the undertaking by ATHEXClear of its clearing based on such so modified characteristics or specific conditions, the procedure under Article 3.3 of this Part shall apply mutatis mutandis.
2. It is possible to modify the characteristics or specific terms of a derivative or securities lending product admitted for trading in cases where there are open positions on it only if the modification does not affect the economic value of open positions.

## SECTION II. CLEARING OF TRANSACTIONS

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### PART 1. General provisions

#### 1.1. Scope of application

1. This Section lays down:
  - a) The terms and conditions for the operation of the Clearing Members according to the provisions of PART 6
  - b) The basic rules of clearing transactions, according to the provisions of PART 3.
  - c) Such terms as under PART 4 Clearing Accounts, Clearing Subaccounts, Position Accounts and Settlement Accounts shall be subject to.
  - d) The terms for providing collateral in favor of the ATHEXClear in accordance with the provisions of PART 5.
  - e) The conditions for the operation of the Default Fund according to the provisions of PART 6 6.
  - f) The procedure for the clearing of transactions, according to the provisions of PART 7.

#### 1.2. General terms of accountability and renewal of transactions

1. Transactions shall be completed in the Market with the participation of Market Members who are counterparties to them under the provisions governing the Market.
2. Each Market Member must, as prescribed in this Rulebook, declare in the buying or selling order it enters in the Market for making a transaction the Clearing Member that shall be responsible in the clearing vis-a-vis ATHEXClear for the buying or selling, as appropriate, if the transaction is concluded. Similarly, the same applies in case of a security lending or borrowing order.
3. When completed, the transaction shall be renewed for clearing purposes as follows:
  - a) ATHEXClear shall be deemed to accept as counterparty, from the completion of the transaction, the matched orders on either side that make up the transaction;
  - b) Similarly, the Clearing Member declared based on each matched order shall automatically substitute the Market Member that admitted it, and be responsible vis-a-vis ATHEXClear as its counterparty.
4. Nullity or cancellation or other irregularity of the orders based on which the transaction was completed shall not affect its validity, while any agreement to the contrary shall be void.

5. Where a counterparty Clearing Member fails to perform its obligations towards ATHEXClear relating to the clearing of transactions, the Clearing Member shall become in default and ATHEXClear shall exercise against it its rights undertaking, as central counterparty, fulfillment vis-a-vis beneficiary counterparty Clearing Members pursuant to the terms hereof.

## **PART 2. Clearing Members**

### **2.1. Access to the System**

Access to the System for the clearing of transactions concluded on a Derivatives Market hereunder shall have ATHEXClear, Clearing Members and, where applicable, Market Members and Operators as provided for in this Rulebook.

### **2.2. Clearing Members**

1. Clearing members shall be divided into Direct Clearing Members and General Clearing Members. Direct Clearing Members shall mean those Clearing Members who are entitled to clear only the transactions that they themselves complete as Market Members. Direct Clearing Members shall not be entitled to undertake for clearing transactions completed by other Market Members. General Clearing Members shall mean those Clearing Members who are entitled to clear transactions completed by the Market Members declared by them hereunder.
2. Clearing Member capacity is obtained following permission granted by ATHEXClear in accordance with the terms hereof. Obtaining Clearing Member capacity entitles access to the System for clearing transactions on derivatives and securities lending products on behalf of clients or for own account.
3. For being granted permission, a Clearing Member shall declare, based using the forms and procedures of ATHEXClear, the Derivatives Market in terms of which such Clearing Member shall participate in clearing. The participation of a Clearing Member in clearing in terms of the ATHEX Derivatives Market shall also include outright the right to participate in clearing in terms of the ATHEX Securities Lending Mechanism. The participation of a Clearing Member in clearing in terms of the Securities Lending Mechanism shall be conditional on participation of such Clearing Member in clearing in terms of the ATHEX Derivatives Market.
4. Specifically for the needs of clearing securities lending transactions in ATHEX, access to the system shall also be granted to Operators, even if they are not Clearing Members in accordance with this Rulebook. The Operators under the preceding subparagraph, shall be considered Clearing Members exclusively for the purposes of clearing securities lending transactions conducted by them as Participants in the ATHEX Securities Lending Mechanism.
5. Clearing Member capacity is personal and may not be transferred or assigned to a third party.
6. Clearing Members shall be responsible for compliance with all their obligations under the provisions of this Rulebook. Such responsibility shall include any action or omission of the bodies that represent them, fulfillment assistants and their

agents, and in particular the persons they use for access to the System to clear transactions.

### **2.3. Non-Clearing Members**

1. Market Members that do not have Clearing Member capacity (Non-Clearing Members) shall not be entitled to participate in the clearing of transactions.
2. Each Non-Clearing Member shall, for the clearing of the transactions it completes, have appointed at least one (1) General Clearing Member in accordance with the terms hereof and the Market Rulebook. It shall be considered that a Non Clearing Member has appointed a General Clearing Member, if the latter proceeds to a Non Clearing Member declaration, according to the terms of paragraph of Article 2.4.5 of this PART.

### **2.4. Clearing Member capacity and operation**

#### ***2.4.1. Conditions for obtaining the capacity of and operating as a Clearing Member***

1. Clearing Member capacity can be obtained by a credit institutions or an undertaking providing investment services as defined in Law 3606/2007 and Directive 2004/39/EC of the European Parliament and the Council. Clearing Members may act having their registered seat or establishment (branch) in Greece or remotely.
2. For an applicant to become a Clearing Member, it must meet the requirements pertaining to its operation pursuant to its governing law, the stipulations that are applicable to it from time to time and to this Rulebook. The Clearing Member shall at all times be obligated to fulfill such requirements and must meet such requirements for as long as it operates hereunder.
3. For an undertaking providing investment services to be admitted as a Clearing Member it must hold a permit for the safekeeping and administration of financial instruments for the account of clients as defined in Law 3606/2007 and Directive 2004/39/EC. To obtain Direct Clearing Member capacity, the candidate must have previously obtained the Market Member capacity under the rules governing the functioning of the relevant Market.
4. ATHEXClear may restrict access of a Clearing Member to clearing to the extent it deems this necessary to control its risk as central counterparty, in compliance, where applicable, with the provisions of Section V.
5. Clearing Members must provide to ATHEXClear all necessary access to their services, information and data for ATHEXClear to be able to check their compliance with the terms and criteria it sets each time for their operation.
6. Clearing members that clear transactions on behalf of their clients shall have the necessary additional financial resources and operational capacity to perform this activity. In this context, they must gather from their clients all relevant basic information provided to them in relation to clearing operations hereunder to identify, monitor and manage relevant concentrations of risk relating to the provision of services to clients. ATHEXClear may, by decision, define all necessary

terms and technical or procedural details concerning the implementation of this paragraph.

7. Clearing Members shall, upon request, inform ATHEXCLEAR about the relevant criteria, arrangements and procedures they adopt to allow their clients to access the clearing services of ATHEXCLEAR. If the Clearing Member provides indirect clearing services, it must comply with the obligations stipulated by Commission Delegated Regulation (EU) 2017/2154. In every case, responsibility for ensuring that clients comply with their obligations shall remain with Clearing Members.<sup>11</sup>
8. ATHEXCLEAR may only deny access to Clearing Members meeting the criteria it sets for obtaining the capacity in accordance with the provisions hereof, where duly justified in writing and based on a comprehensive risk analysis.
9. ATHEXCLEAR shall conduct, at least once per year, a comprehensive review of compliance of Clearing Members with the terms and criteria for their acceptance, as specifically provided for in applicable provisions and the terms hereof. ATHEXCLEAR may, by decision, fix any technical or procedural issues and necessary details in respect of such review. Clearing Members shall, in order to maintain their capacity, comply with any recommendations of ATHEXCLEAR provided as part of the above review.
10. ATHEXCLEAR may, by decision and taking into account the opinion of the Risk Committee, where applicable, impose specific additional obligations on Clearing Members, such as participation in auctions of defaulting Clearing Member positions, establishing by relevant decision all necessary terms and technical details. Such additional obligations shall be proportional to the risk brought by the Clearing Member and shall not restrict participation to certain categories of Clearing Members.

#### **2.4.2. Procedure for obtaining the capacity**

1. To obtain Clearing Member capacity, the candidate must apply to ATHEXCLEAR using such standard application form as ATHEXCLEAR shall provide. The application must be signed by the legal representative of the candidate and accompanied by the required supporting documents, as determined by ATHEXCLEAR by decision, and it shall stand as a solemn declaration by the candidate that the candidate meets the requirements for obtaining the requested capacity.
2. Submission of the application shall be deemed as acceptance by the candidate of all provisions of this Rulebook, including all kinds of decisions and procedures issued in its implementation, and the related obligations relating to the requested capacity.
3. The candidate shall, at the time of application or subsequently during the review process of said application as prescribed by ATHEXCLEAR, submit to ATHEXCLEAR a memorandum whereby it shall clearly state the organizational procedures based on which it intends to carry on the activities of a Clearing Member. This memorandum shall also make reference in particular to:

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<sup>11</sup> Subparagraph 7 of article 2.4.1, Section II was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.



- 1) the organizational, functional and technical-economic infrastructure and adequacy, the mechanisms and procedures for clearing and settlement, internal audit, risk management and accounting and reporting the candidate shall have in place to meet its clearing obligations;
- 2) the policy pursued by the candidate to determine the criteria, arrangements and procedures that it must implement to allow client access to the clearing services of ATHEXClear;
- 3) the procedures for accounting segregation, monitoring and risk management the candidate shall apply in terms of client positions, including notably procedures for:
  - (i) using the Position Accounts the candidate shall keep in relation to its own positions and those of its clients, the way of distinguishing positions for own account, a client or clients per Position Account and generally how the Position Accounts operate to determine how to provide clearing and settlement services and the establishment, control and management of risk concentrations associated with the provision of the relevant services;
  - (ii) handling the collaterals provided by clients , including cases of covering client positions to ATHEXClear using cash and collateral provided by clients;
  - (iii) handling client default and settlement of positions of its client in relation to the positions it holds on behalf of other clients;
  - (iv) the way of cooperation and collaboration with Market Members to perform transactions and take care of defaults and limit its risk;
  - (v) in the event of provision of indirect clearing services, the specific procedures with which it must comply pursuant to Commission Delegated Regulation (EU) 2017/2154 with regard to its Clients or the clients of its Clients.<sup>12</sup>

4. ATHEXClear may make available to the candidate a brief memorandum guide setting guidelines as to its content.

5. The applicant must disclose in the application any other capacities it may hold, for instance as member of stock exchanges and regulated markets or clearing or settlement agents, and provide to ATHEXClear any necessary data and information relating to such capacities. ATHEXClear may request data and information from such agents and the Competent Authorities of the candidate as part of gathering and verifying information are critical for considering the application.

6. ATHEXClear shall be entitled to disclose the submission of application and make publicly known the identity of the candidate person.

7. When checking the information submitted by the candidate, ATHEXClear shall be entitled to request, in addition to the necessary supporting documents, any other

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<sup>12</sup> Point (v) was added as above to instance 3) of subparagraph 3, article 2.4.2, Section II by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

additional or supplementary documents or information it deems necessary for the examination of the application or the confirmation of submitted information or even the appearance in person before it of representatives or employees of the candidate, especially those intending to perform Certified Clearer tasks, as well as to make spot checks on the premises of the candidate.

8. In order to check the capability and readiness of the candidate, ATHEXClear may request the candidate's participation mock clearing sessions or other simulation scenarios of real trading, clearing and settlement condition.

9. ATHEXClear shall approve or reject the candidate's application by reasoned decision. It may also postpone making a decision on the application, if it finds that the information provided by the applicant is not sufficient or sufficiently documented. The application shall be rejected if the candidate fails to submit within the time limit of the postponement the relevant information requested by ATHEXClear. The decision of ATHEXClear shall be communicated to the candidate within a reasonable time from its making.

10. Where the application is rejected, the candidate shall be reimbursed, without interest, any amounts paid by the candidate for obtaining the requested capacity.

11. ATHEXClear shall inform the HCMC, the Bank of Greece and the Market Operators of each approval granted for becoming a Clearing Member, as well as in cases of resignation or deletion of a Clearing Member, as provided for in this Rulebook, for them to perform their respective duties and responsibilities. To this end, it shall each time communicate an updated list with Clearing Member information.

#### **2.4.3. Capital requirements**

1. Direct Clearing Members must have own funds amounting to seven hundred thousand (700,000.00) euros.
2. General Clearing Members must have own funds whose amount of at least three millions (3,000,000.00) euros.

#### **2.4.4. Organizational adequacy of Clearing Members**

1. Clearing Members must have appropriate organizational, functional and technical-economic infrastructure and adequacy, and effective control and security mechanisms in the area of electronic processing of data and internal audit for:
  - a) constant monitoring, management and proper fulfillment of the obligations undertaken in connection with clearing and settlement in accordance with applicable provisions and terms hereof including but not limited to in connection with the provision of margins and their participation in the Default Fund, payment of prices, the exercise of rights, daily and final cash settlements, delivery and receipt of transferable securities, depending on the characteristics of the transactions and positions held in each case, and for monitoring the positions and Credit Limits set under the terms hereof;
  - b) constant monitoring and implementation of the criteria, rules and procedures they apply to enable client access to the clearing services of ATHEXClear;

- c) constant monitoring and management of the Position Accounts it shall hold in relation to its clients to identify, control and manage risk concentrations associated with the provision of the relevant services;
  - d) constant monitoring, management and smooth fulfillment of the obligations, arising out of transactions and positions, of their clients vis-a-vis the Clearing Members and of the Clearing Members vis-a-vis their clients;
  - e) constant monitoring and management of the collateral provided by clients and taking care of any defaults;
  - f) strict compliance with the terms, obligations and procedures undertaken under the memorandum submitted to ATHEXClear in accordance herewith, and amending and informing ATHEXClear in case of a change in their operating conditions as Clearing Members;
  - g) constant monitoring, management and fulfillment of their obligations to the Competent Authorities, Market Operators and all systems and agents, including cash settlement agents associated with the System in the context of transaction clearing and settlement.
2. Clearing Members shall have in place an adequate uninterrupted operation policy and disaster recovery plan for the purpose of remaining operational following destruction, timely recovery of operations and discharge of their duties as Clearing Members in accordance with applicable provisions.
3. To meet their obligations hereunder, Clearing Members shall:
- a) have established and have in place a clearing service, where their Certified Clearers should be employed, as well as a risk management service in accordance with applicable provisions;
  - b) be Operators in accordance with the DSS Regulation;
  - c) hold the necessary bank accounts, as appropriate, with cash settlement Agents in accordance with the procedures of ATHEXClear.
4. ATHEXClear may specify the organizational requirements that must be met by Clearing Members in accordance with the preceding paragraphs.

#### **2.4.5. Undertaking clearing**

1. Before the start of each trading session of the Market and/or during such session, in accordance with the procedures of ATHEXClear, each General Clearing Member shall declare in the System the Market Member(s) whose transactions shall be cleared during the relevant session, as well as the Credit Limit, as defined by Market hereunder, it allocates for the relevant session to each of them. The declaration shall be deemed to include a declaration of assignment of the clearing of the relevant transactions by the Market Members declared by the General Clearing Member and respectively a declaration of undertaking clearing by the General Clearing Member making the declaration. The General Clearing Member shall not be entitled to undertake clearing transactions for which it has not made the declaration under the preceding paragraphs.

2. Each Direct Clearing Member may, in respect of each session complete transactions only to the extent of the Credit Limit, as assigned to it for the relevant session in accordance with the terms hereof.
3. According to the specific stipulations of the ATHEX Market Rulebook, Market Members without a Credit Limit for the Market are not entitled to proceed to the entry of orders in the Market trading system.

#### **2.4.6. Professional competence**

1. Each Clearing Member must appoint at least one (1) Certified Clearer for the clearing and settlement of the transactions it concludes. In any case, the Clearing Member must have a sufficient number of Certified Clearers, taking into account the range of transactions it undertakes for clearing and inherent risks.
2. The Clearing Member shall ensure the presence of a Certified Clearer in the clearing and risk management service it has throughout the course of the clearing in accordance with the planned procedures of ATHEXClear, and his/her substitution in case of absence or impediment. The substitution can only be done by a person who has the above capacity.
3. To perform Certified Clearer tasks, the candidate must fulfill the conditions of professional adequacy set by ATHEXClear. There shall be professional adequacy when, under the procedures of ATHEXClear, the knowledge and readiness of the candidate are certified in relation to rules and technical procedures governing the functioning of the System and the Market.
4. Clearing Members shall declare to ATHEXClear the particulars of the Certified Clearers they appoint, and all changes to such particulars. Appointed Certified Clearers shall, in relation to the clearing tasks they perform as part of their duties, provide ATHEXClear and Market Operators with all data and information immediately when requested.

#### **2.4.7. System Users**

1. Solely such Certified Clearers as are authorized by Clearing Members, and authorized users of Market Members, as applicable hereunder, may be System Users for transaction clearing purposes. Clearing Members and Market Members shall communicate to ATHEXClear the particulars of their users and any other relevant information established in the procedures of ATHEXClear, and any other change to such particulars and information.
2. Clearing Members shall put in place specific internal audit procedures for monitoring the work performed by the System users. They must also make available to ATHEXClear the above procedures as and comply with any recommendations of ATHEXClear regarding compliance with the relevant procedures.
3. Clearing Members shall ensure that users use the terminals appropriately and in line with applicable law and this Rulebook, and shall be liable vis-a-vis ATHEXClear for any damage resulting from an action or omission on the part of such users.

#### **2.4.8. Registration and annual subscription fees - charges**

1. Clearing Members shall pay fully to ATHEXClear and in cash any registration fees, annual subscription fees, fees for connecting to the systems of ATHEXClear and/or

Market Operators where applicable, and such other charges as ATHEXCLEAR shall determine. Non-Clearing Members may also have relevant obligations. The fees may vary, for instance, depending on whether it is a Direct or General Clearing Member, their own clearing services that may be fixed by ATHEXCLEAR, for instance if use is made of clearing services in relation to the ATHEX securities lending products, or the extent of activation and usage by the Clearing Member of the ATHEXCLEAR systems.

2. Registration fees shall be paid as lump sum at the time of acquisition of the relevant capacity and shall not be refundable in case such capacity is lost for any reason, including the case of a merger.

#### **2.4.9. Contributions to the Default Fund**

1. Clearing Members shall participate in the Default Fund and pay their contributions in favor of such Fund in accordance with the terms hereof.

#### **2.4.10. Connection to the clearing network**

1. Gaining access to the System requires a connection of the Clearing Member with ATHEX Net or to any such other network or technical method of connection as ATHEXCLEAR may determine for the purpose of clearing transactions through the System.
2. The Clearing Member shall take all necessary actions, such as signing the necessary contracts with the Market Operators, ATHEXCLEAR and settlement agents to obtain the relevant connection.

#### **2.4.11. Communication between ATHEXCLEAR and Clearing Members**

1. Communication between ATHEXCLEAR and Clearing Members shall be made in writing, also including electronic communication media that ensure secure informing, unless otherwise provided in this Rulebook.
2. Each communication of ATHEXCLEAR to the Clearing Members regarding a clearing operation and its results, as provided for in this Rulebook, shall be transmitted electronically through the System.
3. Address of the Clearing Member used for communication with ATHEXCLEAR shall be the address the Clearing Member has designated in its application for acquiring the relevant capacity. Any change of address of the Clearing Member shall be notified in writing to ATHEXCLEAR.
4. For matters relating to the clearing and settlement of transactions, ATHEXCLEAR shall communicate with the Certified Clearer that the Clearing Member has declared to ATHEXCLEAR. For any other matter relating to the Clearing Member, ATHEXCLEAR shall communicate with the contact person of the Clearing Member.
5. For the purpose of communicating with ATHEXCLEAR, Clearing Members shall contact the competent bodies of ATHEXCLEAR, as such bodies are announced each time on the website specified by ATHEXCLEAR.

#### **2.4.12. Information to ATHEXCLEAR**

1. Clearing Members shall provide to ATHEXCLEAR all data and information about the clearing tasks they perform and the inherent risks, whenever ATHEXCLEAR so

requests. In this context, they shall provide to ATHEXCLEAR the relevant basic information that ATHEXCLEAR determines and specifies by decision to identify and monitor the relevant concentrations of risk relating to the provision of services to clients.

2. Clearing Members must, at the time of submission to the Competent Authorities of supervisory data according to the rules governing their operation, communicate to ATHEXCLEAR:
  - a) their annual and semi-annual financial statements audited and signed by certified auditors;
  - b) information regarding their capital adequacy, their own funds, their solvency ratio or large exposures, as well as their respective financial statements of the reporting period.
3. Clearing Members shall immediately inform ATHEXCLEAR in any case change of in the information based on which they were granted approval by ATHEXCLEAR to obtain the relevant capacity. They shall also inform ATHEXCLEAR in any occasion that there are reasons that could jeopardize their smooth participation in clearing. Such reasons include but are not limited to risk concentration in particular clients, the default of a client in fulfilling its obligations to the Clearing Member, the existence of indications that the Clearing Member is temporarily unable to meet its obligations or the occurrence of events affecting the operation of the Clearing Member, such as a decision to participate in a merger, split or acquisition of its business or the imposition of penalties by the Competent Authorities.
4. ATHEXCLEAR shall immediately make available to the HCMC when so requested by the latter the data and information under the preceding paragraphs it keeps.
5. ATHEXCLEAR shall also be entitled to require of Clearing Members data and information on the positions of their clients in connection with the transactions it clears, as well as on the collateral Clearing Members receive from their clients to cover their risk from such positions. ATHEXCLEAR shall, when it finds it necessary, inform the HCMC about the above data and information.

## **2.5. Professional Conduct Obligations**

### **2.5.1. Obligations of Clearing Members**

1. Clearing Members shall provide clearing and settlement services in line with the principles of good faith and fair practices. Their independent obligations are in particular:
2. to ensure the smooth functioning of the market, showing due diligence and care when participating in the clearing and providing related services to their clients to ensure the smooth completion of transactions;
3. to refrain from any action or omission that could damage the prestige of ATHEXCLEAR, the Market Operators and general the reliability and security of the financial system;
4. to properly behave, in each case, towards the bodies of ATHEXCLEAR and other parties that participate hereunder in clearing and settlement and to work with them, when necessary, to prevent systemic and other inherent risks;

5. to respond promptly, truthfully and fully to any request of ATHEXCLEAR to provide data and information, fulfill their obligations with respect to the ordinary or any extraordinary information they provide to it in accordance with the provisions of this Rulebook, and constantly cooperate with ATHEXCLEAR by participating in the relevant sessions or allowing ATHEXCLEAR bodies to perform on-spot checks at their premises;
6. to ensure that the computer equipment and software available they have to access the System are used reasonably and in line with this Rulebook in order to ensure its smooth and secure operation;
7. to constantly apply effective internal audit procedures for monitoring strict compliance by their staff with applicable provisions and this Rulebook;
8. to ensure the clearing and settlement of transactions in compliance with applicable provisions and this Rulebook;
9. to provide complete and written information to any Market Members they have contracts with and their clients customers for any obligation arising out of the clearing and settlement of transactions;
10. to keep daily a Data Sheet per client relating to all outstanding transactions and positions of the client in connection with the clearing procedures, as they arise at the end of each clearing and risk calculation day in accordance with the terms hereof and enter accurately, clearly and completely in the records they keep per client the existence of any outstanding issues, the obligations and requirements to be settled, the collateral supplied by the client, transactions in all manner of client accounts in relation to the clearing and settlement of transactions, as well as any other information relevant to the client's transactions;
11. in cases of default and, in general, clearing default, to take all necessary actions to remove such matters working together with the persons necessary, as appropriate;
12. to take into account the accepted practices applicable to the clearing and settlement of transactions as are also defined under the respective EU principles and rules.

#### **2.5.2. Obligations of Market Members**

1. Market Members shall meet the obligations they assume hereunder. Their independent obligations are in particular:
2. to keep the Credit Limits assigned to them hereunder;
3. to conduct coverage transactions within the meaning of Law 3606/2007 and in general the rules governing the functioning of the Market where they are involved, in particular if this is necessary to cover or restrict credit risk arising from their transactions;
4. to take all necessary measures vis-a-vis their clients for the smooth clearing of transactions;
5. to cooperate with the Clearing Members they work with, in particular in situations of default;
6. to comply with any recommendations or instructions of ATHEXCLEAR for smooth clearing purposes.



## **2.6. Clearing Member Resignation**

### **2.6.1. Resignation**

1. Resigning from Clearing Member shall be subject to the conditions of the following paragraphs. Resignation shall entail loss of the capacity.
2. Unless another Clearing Member is effecting the clearing of its transactions, resigning from Direct Clearing Member shall imply, automatically and in accordance with the specific provisions of the rules governing the functioning of the Market it is involved in, the suspension of its operation as a Market Member.

### **2.6.2. Resignation Conditions**

1. The resignation shall be communicated in writing to ATHEXClear and shall also constitute termination of any agreements entered into by the Clearing Member in that capacity with ATHEXClear. Agreed resignation and termination shall take effect after thirty (30) days of said notice subject to the specific provisions of the following paragraphs.
2. The resignation shall be valid on the condition that the Clearing Member has, within the above time limit, settled any pending issues concerning the transactions it clears or paid any outstanding amounts to ATHEXClear. ATHEXClear may modify the time limit under the previous paragraph appointing a shorter or longer time limit, as the case may be, taking into account the outstanding obligations of the resigning Clearing Member and the needs to protect the System of imminent risks particularly in case of default as provided for under 4(a). Where the time limit is modified, the date of resignation and the date on which the resignation shall take effect shall be at the end of the new time limit.
3. If the conditions of the preceding paragraphs are met, ATHEXClear shall accept the resignation and inform the Clearing Member in writing. Where it does not accept the resignation, it shall give a reasoned answer.
4. In case of resignation of a Clearing Member and where all its obligations to ATHEXClear have been paid as provided for in the preceding paragraphs, ATHEXClear shall immediately return to it all manner of collateral the Clearing Member had provided to ATHEXClear cover its clearing obligations. In this case, ATHEXClear shall also return to the Clearing Member the remaining portion of its Share Account in the Default Fund subject to the following cases:
  - 1) where until the time limit set for the resignation there are one or more outstanding cases of default and on the condition that the Clearing Member that resigns has fully settled all its obligations vis-a-vis ATHEXClear, such Clearing Member's Share Account in the Default Fund shall be used to settle cases of default pursuant to SECTION IV.2.5, and ATHEXClear must return only such amount as shall remain after such obligations have been settled. Where the Default Fund has been adjusted during such time limit set for the resignation, the Clearing Member that resigns must only take part in the adjustment where it holds open positions'
  - 2) in any of the cases provided for in Article 76(6) and (7) of Law 3606/2007. In such case, ATHEXClear shall proceed to provide prior notice and handle reimbursements as instructed or decided to that end by the HCMC.



5. Resignation from Clearing Member shall not preclude reacquiring the Clearing Member capacity acquisition under such terms as shall apply at the time of acquisition of the capacity.
6. The resignation terms and procedure may be specified by decision of ATHEXClear.

## **PART 3. Transactions Clearing Rules**

### **3.1. Basic Clearing Rules**

1. Clearing shall be conducted between ATHEXClear, as the central counterparty to each transaction it clears, and Clearing Members as its counterparties in the transaction.
2. ATHEXClear shall conduct clearing tasks on business days in the clearing days calendar it shall prepare, taking into account exceptional holidays at national or European level.
3. ATHEXClear shall exercise all its rights of any kind from transactions vis-a-vis its counterparty Clearing Members.
4. ATHEXClear shall participate as central counterparty in each settlement of rights and obligations, as appropriate, arising per Clearing Account based on the positions held in it.
5. ATHEXClear shall, following its procedures, participate as central counterparty in daily cash settlements for positions in derivatives, for which such settlement is provided for under the Market Rulebook, as such positions respectively arise after the end of the Market meeting, based on the closing or clearing prices on the relevant day. Being central counterparty it also participates in periodic and final cash settlements, as well as in settlements for the delivery of the underlying securities based on the characteristics of operation of the transactions.
6. After the end of each Market trading session, on the same business day, ATHEXClear shall communicate to each Clearing Member in writing, also including electronic communication media that ensure secure informing, as specified by decision of ATHEXClear:
  - 1) the amount of the Margins that must be provided for each Clearing Account by the Clearing Member to ATHEXClear before the start of the next session for all transactions it clears and have been completed by the end of the session of the relevant days in the Market; and
  - 2) the positions it must settle per Clearing Account and Settlement Account until the start of the next session.
7. The Margin collateral and the positions per Clearing Account are separated by ATHEXClear in the System and the respective records kept by it.
8. The activation, in any way, of the rights arising per Clearing Account shall generate for ATHEXClear, central counterparty, the respective rights and obligations from the settlement, including cash settlement or the delivery of Transferable Securities, as appropriate.

9. In case of default of a Clearing Member that is a the counterparty of ATHEXClear relating to the delivery of Transferable Securities or the fulfillment of cash obligations, ATHEXClear shall exercise its rights arising out of the collateral provided by such Clearing Member and such Clearing Member's share account in the Default Fund as specified in SECTION IV.
10. ATHEXClear shall perform its obligations to deliver Transferable Securities to Clearing Members in the capacity of the latter as its counterparties, inclusive where such delivery shall involve Securities Settlement Accounts of beneficiaries.
11. The rights arising from the transactions shall be exercised to ATHEXClear provided it is communicated to it in writing, also including electronic communication media that ensure secure informing, as specified by decision of ATHEXClear. The exercising of the right shall generate for ATHEXClear, as CCP, the obligations and respective rights. In as many transactions a right is exercised, ATHEXClear shall exercise a reverse right under this Rulebook, unless the characteristics of operation of transactions dictate otherwise.
12. Clearing Members shall prepare daily a detailed list showing, per Clearing Account, the total Margin and the corresponding collateral provided by their clients, as well as the positions of the Clearing Account in relation to the individual client positions held by Clearing Members.
13. It is prohibited to assign the rights or transfer obligations arising from positions of contracts in derivatives or securities lending products, transfer the legal relationship arising out of contracts in derivatives or securities lending products, transfer a position between Clearing Account or Position Accounts except as otherwise provided for in this Rulebook. Assignment or transfer, notwithstanding the above, shall be automatically null and void vis-a-vis ATHEXClear.

### **3.2. Participation of third parties in clearing**

1. All kinds of cash of ATHEXClear, especially cash related to cash collateral of Clearing Members, cash of the Default Fund, as well as to other financial resources of ATHEXClear, including the Special Own Resources, shall be held by ATHEXClear with the Bank of Greece or another Central Bank or a credit institution under the provisions of Article 45 of Regulation (EU) No 153/2013 in accordance with the relevant decision of ATHEXClear.
2. Cash settlement of transactions shall be carried out with the participation of one or more cash settlement Agents in accordance with the procedures of ATHEXClear taking account of the currencies and terms established for the cash settlement of transactions. Clearing Members shall keep the Cash Settlement Accounts necessary in each case with Cash Settlement Agents indicated by ATHEXClear based on its procedures.
3. If according to the specific characteristics of the derivative the settlement of transactions entails the delivery of the underlying security, ATHEXClear may entrust the settlement of such transactions in terms of the delivery of the underlying security, the cash settlement of the price for delivery and/or the monitoring of the delivery against payment of the price, to the ATHEXCSD, other CSDs or systems or registries of dematerialized securities, including the Dematerialized Security Accounting Monitoring System of the Greek State managed by the Bank of Greece,

to Cash Settlement agents or credit institutions in compliance with the provisions of Commission Delegated Regulation (EU) No 153/2013.

## **PART 4. Clearing Accounts, Clearing Subaccounts, Position Accounts and Settlement Accounts**

### **4.1. Clearing Accounts, Clearing Subaccounts and Position Accounts**

1. ATHEXClear shall keep in the System Clearing Accounts, Clearing Subaccounts and Position Accounts for Clearing Members.
2. The clearing of transactions hereunder shall be performed only through the Clearing Accounts.
3. Clearing Subaccounts serve exclusively the needs of registration and allocation by Clearing Members to Market Members of the Credit Limit assigned to them by ATHEXClear in accordance with the terms hereof.
4. Position Accounts serve needs of allocation by Clearing Members of positions among their clients or clients of their Clients, under their exclusive responsibility and based on client relationships they establish, to facilitate the monitoring of positions and the settlement of delivery rights and obligations on Transferable Securities arising from these positions, where applicable.<sup>13</sup>
5. Each Clearing Account shall be linked to one or more Clearing Subaccounts, whereas each Clearing Subaccount shall be linked to only one Clearing Account.
6. Each Clearing Subaccount shall be linked to one or more Position Accounts, while each Position Account shall be linked to one and only one Clearing Subaccount. Each Position Account shall be linked to one or more Trading Codes, while each Trading Code shall be linked to one and only one Position Account. In addition, each Position Account shall be linked to a single Share Account in the DSS, and each Share Account in the DSS may be linked to more than one Position Account.
7. All kinds of Clearing Subaccounts and Position Accounts linked to a Clearing Account shall be managed by the Clearing Member handling the relevant Clearing Account. A Clearing Member may not have, for its own positions, a Position Account through another Clearing Member.
8. The Position Account is used to enter automatically, upon their completion, all transactions conducted through the Trading Codes linked to the Position Code.
9. Where a transaction is entered in which there is no linking of the Trading Code to a Position Account, such transaction shall be automatically entered in the Error Position

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<sup>13</sup> Subparagraph 4 of article 4.1 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

Account of the Member that completed it. Clearing Accounts, Clearing Subaccounts and Position Accounts shall be determined in accordance with the provisions of the following Articles. ATHEXClear may decide to specify the terms, conditions and procedure for opening or canceling Clearing Accounts, Clearing Subaccounts, and Position Accounts, as well as to set additional technical or procedural terms, as appropriate.

#### **4.1.1. Clearing Accounts**

1. Clearing Accounts are divided into Own Clearing Accounts, Clients Clearing Accounts and Client Clearing Accounts.
2. The Clearing Member shall keep in the System at least one Own Clearing Account for the transactions and positions it clears. For the transactions and positions of its clients, the Clearing Member shall keep one or more Direct Clients Clearing Accounts or Indirect Clients Clearing Accounts or Client Clearing Accounts, depending on the position segregation it applies. No offsetting may be done between different Clearing Accounts of a Clearing Member.<sup>14</sup>
3. Own Clearing Accounts shall be opened in the System by ATHEXClear at the request of the Clearing Member and provided the latter has declared to ATHEXClear the following information:
  - a) the Clearing Member identification particulars, namely:
    - (i) full name of the legal person;
    - (ii) seat;
    - (iii) legal form of the legal person;
    - (iv) such date on which the legal person was entered in the respective disclosure register it belongs to and such number under the legal person was registered in it pursuant to the governing law;
    - (v) VAT Registration Number;
  - b) details of its Own Clearing Subaccount(s) and Own Position Account(s) or Member Position Account to be linked to the relevant Own Clearing Account;
  - c) details of the bank account of the Clearing Member to be used by ATHEXClear to make payments or reimbursements in connection with the Clearing Member's Share Account in the Default Fund.
4. Clients Clearing Accounts shall be opened in the System by ATHEXClear at the request of the Clearing Member and provided the latter has declared to ATHEXClear the following information:
  - a) In the case of a Direct Clients Clearing Account:
    - (i) The details of the Clearing Member, as laid down in paragraph 3.

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<sup>14</sup> Subparagraph 2 of article 4.1.1 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

(ii) Indication as to whether or not it will be subject to netting procedures for the margin calculation needs of ATHEXClear with respect to positions that will be entered in the relevant Direct Clients Clearing Account.

(iii) Details of the Direct Clients Clearing Subaccount(s) and Clients Position Account(s) or Investor Position Account(s) to which it shall be linked in accordance with the provisions of articles 4.1.3. and 4.1.4. respectively.

b) In the case of an Indirect Clients Clearing Account:

(i) The details of the Clearing Member, as laid down in paragraph 3.

(ii) Indication as to whether or not the Indirect Clients Clearing Account will be subject to netting procedures for the margin calculation needs of ATHEXClear with respect to positions that will be entered in the relevant Indirect Clients Clearing Account in accordance with Commission Delegated Regulation (EU) 2017/2154.

(iii) The identification details of the Client or the Clearing Member, as applicable, which is declared as being responsible for the relevant Indirect Clients Clearing Account for the receipt of any returns of collateral in the event of default in accordance with par. 2, article 2.6 of Section IV, along with the bank account details of the aforesaid responsible party.

(iv) Details of the Clients Clearing Subaccount(s) and Clients Position Account(s) or Investor Position Account(s) to which it shall be linked in accordance with the provisions of articles 4.1.3. and 4.1.4. respectively.<sup>15</sup>

5. Client Clearing Accounts shall be opened in the System by ATHEXClear at the request of the Clearing Member and provided the latter has declared to ATHEXClear the following information:

a) The details of the Clearing Member as laid down in paragraph 3.

b) The identification details of the Client, in compliance with paragraph 3(a) as applicable, along with the Client's bank account details for any cash refunds which may arise for the Client in accordance with par. 2, article 2.6 of Section IV.<sup>16</sup>

c) The details of the Client Clearing Subaccount(s) and the Investor Position Account(s) of the Investor to which they shall be linked under Articles 4.1.3. and 4.1.4. respectively.

#### **4.1.2. Clearing Subaccounts**

1. Clearing Subaccounts are divided into Own Clearing Subaccounts and, Clients Clearing Subaccounts, and Client Clearing Subaccounts depending on whether they are linked to an Own Clearing Account, a Clients Clearing Account and a Client Clearing Account, respectively.

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<sup>15</sup> Subparagraph 4 of article 4.1.1 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

<sup>16</sup> In instance b) of subparagraph 5, article 4.1.1, the reference to "par. 2, article 2.7" was replaced by "par. 2, article 2.6" as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

2. For each Direct Clearing Member's Clearing Account one or more Clearing Subaccounts are created in the System by declaration of that Direct Clearing Member as Market Member. The Direct Clearing Member shall enter or allocate, by its declaration, in the relevant Clearing Subaccounts the Credit Limit attributed to it by ATHEXClear through the relevant Clearing Account.
3. For each General Clearing Member's Clearing Account Clearing Subaccounts may be created in the System corresponding to the Market Members that have entered contracts with the General Clearing Member. The General Clearing Member shall, as declared by it, allocate among its own Market Members or different Clearing Subaccounts, as appropriate, the Credit Limit attributed to it by ATHEXClear through the relevant Clearing Account.
4. Clearing Subaccounts shall be opened in the System by ATHEXClear at the request of the Clearing Member and provided the latter has declared to ATHEXClear the Clearing Account details.
5. A General Clearing Member Clearing Subaccount shall be opened by ATHEXClear if the General Clearing Member has additionally declared to it the identification particulars of the Market Member(s) for which the Clearing Subaccount shall be kept.

#### **4.1.3. Position Accounts**

1. Position Accounts are distinguished into Own Position Accounts, Clients Position Accounts, Investor Position Accounts, and Member Position Accounts.
2. Own Position Accounts shall be linked to Own Clearing Subaccounts, Clients Position Accounts shall be linked to Clients Clearing Subaccounts, and Investor Position Accounts shall be linked to Clients Clearing Subaccounts or Client Clearing Subaccounts, as appropriate.
3. Member Position Accounts may be linked to Own Clearing Subaccounts or, alternatively, Client Clearing Subaccounts or Clients Clearing Subaccounts, depending on whether the beneficiary of the Member Position Account is the Clearing Member or a person other than the Clearing Member.
4. The Position Accounts the Clearing Member keeps in the System should in any case be consistent with the operating procedures of the Position Accounts the Clearing Member has declared in its memorandum to ATHEXClear.
5. Own Position Accounts shall be opened by declaration of the Clearing Member to ATHEXClear and provided that the Clearing Member has declared to ATHEXClear the following:
  - a) details of the Own Clearing Subaccount and the Own Clearing Account to which they shall be linked;
  - b) the Trading Code(s) to which they shall be linked;
  - c) the code number of the Investor Share Account held by the Clearing Member in the DSS;
  - d) the authorization of use to ATHEXClear so that it acts as Operator of an Operator Account in such Share Account to provide to ATHEXClear collateral on Transferable Securities through the relevant account in accordance with the terms hereof and the DSS Regulation.

6. Clients Position Accounts shall be opened for an Intermediary by declaration of the Clearing Member to ATHEXClear and provided that the Clearing Member has declared to ATHEXClear the following:
  - a) details of the Clients Clearing Subaccount and the Clients Clearing Account to which they shall be linked;
  - b) the Trading Code(s) to which they shall be linked;
  - c) the identification details of the Intermediary, applying as appropriate the provisions of article 4.1.1. (3) (a);<sup>17</sup>
  - d) the code number of the Intermediary's Share Account in the DSS; and
  - e) details of the temporary technical account of the Intermediary in the System as shown in the DSS to settle through it the rights and obligations of delivery of Transferable Securities of its clients, as they arise from transaction positions, where applicable;
  - f) the authorization of use to ATHEXClear so that it acts as Operator of an Operator Account in the Intermediary's Share Account or in a Share Account handled by the Clearing Member in the DSS to provide to ATHEXClear collateral on Transferable Securities through the relevant account in accordance with the terms hereof and the DSS Regulation.
7. Investor Position Accounts shall be opened following an application of the Clearing Member to ATHEXClear and provided that the Clearing Member has declared to ATHEXClear the following:
  - a) details of the ClientsClearing Subaccount or the Client Clearing Subaccount and the Clients Clearing Account or the Client Clearing Account, respectively, to which they shall be linked;
  - b) the Trading Code(s) to which they shall be linked;
  - c) the code number of the Investor Share Account of the Investor in the DSS;
  - d) the authorization of use to ATHEXClear so that it acts as Operator of an Operator Account in a Share Account of the Clearing Member in the DSS to provide to ATHEXClear collateral on Transferable Securities through the relevant account in accordance with the terms hereof and the DSS Regulation. Alternatively, if the Clearing Subaccount to which the Investor Position Accounts shall be linked are Client Clearing Subaccounts, the authorization of use given by the Client to ATHEXClear so that it acts as an Operator Account Operator in the Investor Share Account of the Client in the DSS to provide to ATHEXClear collateral on Transferable Securities through the relevant account in accordance with the terms hereof and the DSS Regulation.

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<sup>17</sup> In instance c) of subparagraph 6, article 4.1.3, the reference to "4.1.2 (3) (a)" was replaced by "4.1.1 (3) (a)" as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.



8. Member Position Accounts shall be opened following an application of the Clearing Member to ATHEXClear and provided that the Clearing Member has declared to ATHEXClear the following:
  - a) details of the Own Clearing Subaccount, the Clients Clearing Subaccount or the Client Clearing Subaccount, and, respectively, the Own Clearing Account or, alternatively, the Clients Clearing Account or the Client Clearing Account, depending on whether the beneficiary of the Member Position Account shall be the Clearing Member itself or a person other than the Clearing Member, to which they shall be linked;
  - b) the Trading Code(s) to which they shall be linked, as defined in each case under the Market Rulebook;
  - c) the code number of the Share Account the beneficiary of the Member Position Account shall have in the DSS, as established in each case in the DSS Regulation and may be specified by ATHEXClear in its decisions and procedures;
  - d) the authorization of use to ATHEXClear so that it acts as Operator of an Operator Account in the relevant Share Account to provide to ATHEXClear collateral on Transferable Securities through the relevant account in accordance with the terms hereof and the DSS Regulation.
9. The Clearing Member shall also give authorization of use to ATHEXClear also in relation to the Share Account it handles in the DSS in its own name but on behalf of its clients through which the Clearing Member holds indirectly Transferable Securities of its clients which it provides as collateral to ATHEXClear to cover risks arising from the Clients Clearing Account or Client Clearing Account in accordance with the provisions of article 5.2., par. 3 (b) of PART 5 of this SECTION.<sup>18</sup>

#### **4.1.4. Account Cancellation**

1. A Clearing Account, Clearing Subaccount or Position Account of a Clearing Member shall be canceled by ATHEXClear upon an account closing request given to it or upon resignation of the Clearing Member or necessarily after its deletion by ATHEXClear, in particular in the cases provided for under Article 2.7 of SECTION IV.
2. In any case, a Clearing Account, Clearing Subaccount or Position Account shall be canceled if there are no open positions or other outstanding obligations and corresponding rights in it. The closing of a Clearing Account entails automatically the closing of all Clearing Subaccounts and Position Accounts of any kind linked to it.
3. Each issue and necessary detail regarding the cancellation of Accounts may be established by a decision of ATHEXClear.

#### **4.1.5. Specific Obligations of Clearing Members**

1. In accordance with this Rulebook, the risk of ATHEXClear vis-a-vis Clearing Members shall be calculated and collateral shall be provided to cover such risk per

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<sup>18</sup> In subparagraph 9 of article 4.1.3, the reference to "5, par. 3" was replaced by "5.2., par. 3 (b)" as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.



Clearing Member Clearing Account in compliance also with the segregation of assets and positions obligations in relation to the clearing carried out by ATHEXClear as CCP in accordance with applicable provisions.

2. Each Clearing Member shall:
  - a) comply with the obligations relating to keeping in the System all kinds of Clearing Accounts, Clearing Subaccounts and Position Accounts it handles hereunder;
  - b) keep separate records and accounts enabling it to separate both in the accounts it keeps in the System in accordance with the terms hereof, and its own accounts its assets and positions from the assets and positions held in the System on behalf of clients or by client, as the case may be;
  - c) give its clients at least the option of choosing:
    - (i) between the Clients Clearing Account and the Client Clearing Account for the needs of separating positions pursuant to provisions in force, with written confirmation of their choice, as well as between the Clients Position Account and the Investor Position Account depending on the contractual relations established with its clients, and inform them of the cost in accordance with its procedures, and in addition
    - (ii) in the case of the Clients Clearing Account, between:
      - (a) the Direct Clients Clearing Account with or without netting;
      - (b) the Indirect Clients Clearing Account with or without netting which relates to the case where indirect clearing services are provided in accordance with par. 4, article 4 of Commission Delegated Regulation (EU) 2017/2154;
      - (c) In the case where an Indirect Clients Clearing Account is held, the Clearing Member must comply with its obligations arising from Commission Delegated Regulation (EU) 2017/2154.<sup>19</sup>

#### **4.1.6. Disclosure of asset and position segregation levels**

1. Clearing Members shall disclose the level of protection and the costs associated with the different levels of segregation they provide based on the Clearing Accounts hereunder, and offer these services on reasonable commercial terms. The details of the different levels of segregation include a description of the main legal implications for each division level offered, including information on the law applicable for the insolvency of the respective jurisdictions. The disclosure should be made through the website of the Clearing Member.
2. ATHEXClear shall also proceed to the disclosure of the previous paragraph through its own website.
3. ATHEXClear may decide to specify the terms and procedure of disclosure referred to in the previous paragraphs.

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<sup>19</sup> Instance c) of subparagraph 2, article 4.1.5 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

#### **4.2. Settlement Accounts**

1. Clearing Members must keep Securities Settlement Accounts and Cash Settlement Accounts pursuant to the terms hereof.

#### **4.3. Provision of information and data verification**

1. Clearing Members and Operators involved in the settlement of transactions shall, where applicable hereunder, provide all data and information requested by ATHEXCLEAR in relation to the Accounts provided for in this Rulebook that they manage, the obligations arising from them, as well as any changes thereto. They shall also inform ATHEXCLEAR in any case of change in their particulars based on which the relevant accounts were opened.
2. ATHEXCLEAR has a legal right, as part of gathering and verifying the data declared for the opening and keeping of all manner of accounts hereunder, to exchange any necessary information with the Market Operator, the ATHEXCSD, cash settlement agents, credit institutions and the bodies that keep the collateral given in favor of ATHEXCLEAR, as well as with any other entity involved in the clearing and settlement of transactions; the provisions on professional secrecy of Article 81 of Law 3606/2007 shall apply.

### **PART 5. Collateral in favor of ATHEXCLEAR**

#### **5.1. General Provision**

1. Clearing members shall provide collateral in favor of ATHEXCLEAR to secure the proper fulfillment of their clearing and settlement obligations vis-a-vis ATHEXCLEAR in accordance with Article 46 of Regulation (EU) No 648/2012, Articles 37 to 42 of Commission Delegated Regulation (EU) No 153/2013, Article 77 of Law 3606/2007 and the specific provisions of this Rulebook.
2. The collateral shall be provided and separated per Clearing Account.

#### **5.2. Forms of Collateral**

1. As established by decision of ATHEXCLEAR and specified in the following paragraphs, ATHEXCLEAR shall accept as collateral highly liquid assets in the form of cash and Transferable Securities.
2. ATHEXCLEAR shall accept collateral in the form of cash in euros or in other settlement currencies for the transactions it clears, as well as in currencies other than the above that are subject to the risk management it conducts and specified by its decision.
3. ATHEXCLEAR shall accept as collateral transferable securities traded on a regulated market or multilateral trading facility within the meaning of Law 3606/2007 and Directive 2004/39/EC, as determined by relevant decision of ATHEXCLEAR in accordance with the provisions of Annex I to Regulation (EU) No 153/2013 and the specific criteria laid down for that purpose by ATHEXCLEAR, dependent for instance on the capitalization of the issuer, the liquidity of the securities, their free float and

their participation in official indicators of the capital market. In addition to the above, the following conditions must be met by such Transferable Securities:

- a) the Clearing Member that holds them on its own account must have exclusive ownership thereof;
  - b) they must be held directly or indirectly in the name of the Clearing Member as collateral provider but on behalf of its clients within the meaning of Article 12(11) of Law 3606/2007 and characterized at a CSD, system or register including the DSS of the ATHEXCSD as clients transferable securities provided as collateral in favor of ATHEXClear; or
  - c) they must be in the exclusive ownership of the Client and be classified as collateral given by the Client to ATHEXClear, in case of Transferable Securities given by a Client as, collateral provider, to ATHEXClear hereunder;
  - d) they must not, in any case, be subject to encumbrance, attachment, claim or rights of third parties, or other commitments and be freely negotiable.
4. ATHEXClear shall, by its decision, categorize the collateral it can accept setting concentration limits according to the provisions and restrictions particularly in relation to the maximum or minimum percentages acceptable of coverage or the maximum amount of permissible coverage per defined category.
  5. Taking particular account of the technical procedures of reserving collateral in the favor of ATHEXClear, the latter may require that collateral in Transferable Securities or foreign currencies be deposited in advance in the respective account.

### 5.3. Collateral Valuation

1. ATHEXClear shall value per Clearing Account of a Clearing Member the collateral provided in favor ATHEXClear for the relevant clearing account in the form of transferable securities and foreign currencies, where applicable in accordance with the terms hereof. Such valuation shall be conducted by ATHEXClear at market prices daily in almost real time throughout the duration of the trading session of the market on which they are traded and until the end of the session based on the clearing and risk management procedures applied at such time and the relevant decisions it makes to that end. Should it not be possible to perform a valuation at market prices and in real time, ATHEXClear shall establish processes to be employed in managing the respective risk.
2. The value of transferable securities shall at the end of the session be valued at their closing price or, alternatively, at such other prices as shall be established by ATHEXClear in the relevant decision, where it finds that this is required for market protection purposes. A haircut shall apply on the value of the transferable security provided as collateral, as such value is valued each time, to cover market risk in accordance with the relevant procedures of ATHEXClear.
3. The value of foreign currencies which have been provided as collateral in favor of ATHEXClear shall be valued daily based on the current exchange rates of the foreign currencies to the euro announced by the European Central Bank. A haircut shall apply on the value of the foreign currency provided as collateral, as such value is valued each time, to cover market risk in accordance with the relevant procedures of ATHEXClear.

4. ATHEXCLEAR shall monitor and review on a regular basis and at least annually, in accordance with applicable provisions, the adequacy of the valuation policies and procedures it applies and shall, based on the review, adjust its requirements under the collateral against Clearing Members. Such a review shall also be carried out whenever a material change occurs that affects ATHEXCLEAR's risk exposure.
5. ATHEXCLEAR shall communicate to the Clearing Members the valuation prices it considers each time in the valuation of the above collateral, and the haircuts applied per security and currency.

#### 5.4. Rights of ATHEXCLEAR on collateral

1. On the collateral provided to ATHEXCLEAR and held blocked in accounts in the name of the collateral provider, in accordance with the terms hereof, the legal pledge prescribed by Article 77 of Law 3606/2007 shall be created in favor of ATHEXCLEAR as System Operator. Where the collateral is provided in a central securities depository, registry or system of a Member State of the European Union, except Greece, the financial collateral under Directive 2002/47/EC shall be given in favor of ATHEXCLEAR in accordance with the law of such Member State. To provide a collateral in a country outside the European Union a legal opinion is required certifying that the collateral is subject to rules equivalent to those that apply to the financial collateral of Directive 2002/47/EC and that further the implementation of the terms of Article 45 and 46 of Regulation (EU) No 153/2013 is ensured.
2. The Clearing Member shall be considered to be the collateral provider, where a collateral under Article 5.2 (3) (b) of this PART shall be given in relation to a Clients Clearing Account.<sup>20</sup>
3. The Client shall be considered to be the collateral provider, where a collateral under Article 5.2 (3) (c) of this PART shall be given in relation to a Client Clearing Account.
4. In the event of a Clearing Member's default, ATHEXCLEAR uses the collateral to cover the loss caused by such default, in accordance with the terms hereof, only in respect of the Clearing Account of the Clearing Member for which the collateral has been provided. The use of collateral for another Clearing Account for the purpose of meeting obligations to ATHEXCLEAR is prohibited, unless it relates to Own Clearing Accounts of the Clearing Member, in which case the excess collateral may be used to cover the aforesaid loss for any Clearing Account managed by the Clearing Member.<sup>21</sup>
5. The legal pledge of ATHEXCLEAR on transferable securities shall automatically extend to the transferable securities distributed by the issuer without consideration or as a result of a split or reverse split, and to transferable securities resulting from changes in the legal person of the issuer, in particular due to

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<sup>20</sup> In subparagraph 2 of article 5.4, the reference to "5.2 (3) (a)" was replaced by "5.2. 3 (b)" as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

<sup>21</sup> The second part of subparagraph 4, article 5.4, was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

mergers or splits in any form. The legal pledge shall not extend to pre-emptive rights, which have been cut off, such as pre-emptive rights due to share capital increase or due to the issue of a convertible bonded loan, as well as to rights on dividends or interest. During the time that the transferable securities are pledged as collateral in favor of ATHEXCLEAR, ATHEXCLEAR shall not exercise any voting rights in respect of these securities.

6. On the cash or securities provided as collateral in favor of ATHEXCLEAR, ATHEXCLEAR shall have right of use, which it can exercise through such Clearing Member as provides the collateral under Law 3301/2004 and Directive 2002/47/EC and in accordance with the stipulations in the following paragraphs:
  - a) ATHEXCLEAR may, following simple notice to the Clearing Member, make temporary use of the collateral provided, to protect the System from inherent credit risks, unless the collateral is available to cover the relevant Clearing Accounts, as provided for herein, whose reimbursement the Clearing Member concerned has requested of ATHEXCLEAR; Clearing Members shall give their written consent to ATHEXCLEAR for the latter to exercise such right using to that end such form as shall be provided to them. Where clients are the beneficiaries of the assets to which each collateral relates, Clearing Members should have secured their clients' written consent prior to the provision of collateral to ATHEXCLEAR. In the case of a Client Clearing Account or Indirect Clients Clearing Account, the written consent is given directly by the Client to ATHEXCLEAR by means of a form which is made available by ATHEXCLEAR and may be signed solely by the Clearing Member, provided the latter specifically represents the Client in this respect.<sup>22</sup>
  - b) if the collateral in respect of which ATHEXCLEAR exercises the right of use consists of transferable securities, ATHEXCLEAR shall exercise vis-a-vis the issuer all kinds of rights or claims arising throughout the use from the relevant securities and pay to the Clearing Member that provided the collateral the product of such exercise at the latest at the time of return to the Clearing Member who provided the collateral as provided for below. Throughout the course of the use of the relevant securities, ATHEXCLEAR shall not exercise any voting rights arising out of such securities;
  - c) if the collateral in respect of which ATHEXCLEAR exercises the right of use consists of cash, ATHEXCLEAR shall pay to the Clearing Member that provided the collateral the same amount in the same currency.
  - d) ATHEXCLEAR may also, in case of default of the Clearing Member and only by simple notice to it, use the collateral provided by it as means of payment and settlement of its obligations arising out of the relevant Clearing Account of the Clearing Member as a result of the settlement of transactions, applying close-out netting procedures. If the netted claims are not uniform, their offsetting shall be done using such method of valuation

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<sup>22</sup> The final part of instance a), subparagraph 6, article 5.4, was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

of their value and procedure as shall be laid down by decision of ATHEXCLEAR.

7. If the collateral provided in cash or transferable securities is kept in accounts in the name of ATHEXCLEAR as collateral taker, a title transfer financial collateral is established hereunder in its favor as provided for in Law 3301/2004, and the provisions of (b) to (d) of the preceding paragraph shall apply accordingly. Keeping collateral in an account with a Central Bank may not constitute title transfer financial collateral even if the account is held in the name of ATHEXCLEAR, provided that such collateral is kept purely for the needs of the centralized keeping of the cash that make up the collateral and not for purposes of title transfer to ATHEXCLEAR. ATHEXCLEAR shall, by its decision, establish the specific characteristics of the collateral in accordance with the terms of the preceding paragraph, taking into account the technical procedures of the Central Bank.

## 5.5. Collateral Accounts

1. ATHEXCLEAR shall take collateral in the form of cash denominated in euros, foreign currencies or transferable securities through the respective collateral accounts. A collateral shall be provided via the relevant account in accordance with the terms of the following subparagraphs.
2. Cash collateral shall be provided to ATHEXCLEAR by Clearing Members exclusively in one or more of the ways prescribed next, which shall be specified by decision of ATHEXCLEAR:
  - a) in case of collateral provided in the form of cash in euro or foreign currency, by depositing the required amount of money in a bank account held in the name of the Clearing Member or ATHEXCLEAR, per currency, for instance as part of the centralized keeping of collateral by ATHEXCLEAR. Cash collateral may not be kept with a credit institution, if it is provided by the credit institution to meet their own obligations towards ATHEXCLEAR as Clearing Member or its obligations as Client handled by the Clearing Member or if, as the case may be, is provided by the above credit institution with which the Clearing Member is affiliated in accordance with Article 42e (5)(a) to (c) of Law 2190/1920.
  - b) the above collateral may be held with the Bank of Greece or another central bank or a credit institution under the provisions of Article 45 of Regulation (EU) No 153/2013 as may be decided by ATHEXCLEAR.
3. A collateral on transferable securities shall be provided to ATHEXCLEAR by Clearing Members in the ways prescribed below for each case, and as instructed in each case by the CSD, system or registry where it is kept:
  - a) collateral on transferable securities in the DSS shall be provided by transfer of the securities to the Operator Account, operated by ATHEXCLEAR, of the Securities Account of the Clearing Member's Share Account, as collateral provider, or of its Clients' Share Account if so provided for in article 5.2 par. (3) (b) of this PART, or in case of collateral provided through the Clearing Member by a Client of a Client Clearing Account, by transferring the relevant Transferable Securities to the Operator Account, operated by ATHEXCLEAR, of the Securities Account of the Client's Share Account in the DSS. Similarly, the return of collaterals is effected by transferring the

relevant Transferable Securities to the Operator Account of the Clearing Member's own Share Account as collateral provider or the Client's Share Account in the DSS respectively pursuant to the Clearing Member's instructions. In case of a financial collateral on Transferable Securities by title transfer, such collateral shall be provided by transferring the relevant securities to such Operator Account of the Securities Account of the ATHEXClear's Share Account in the DSS, as shall be indicated by ATHEXClear;<sup>23</sup>

- b) A collateral on transferable securities monitored through the System for Monitoring Transactions in Securities in Book-entry Form (Dematerialized Securities) of the Bank of Greece, shall be provided in either the DSS in one of the ways prescribed under (a) ways either by transferring the securities into such account kept in the Bank of Greece by the ATHEXCSD or ATHEXClear through such System as its agent, as shall be indicated by ATHEXClear, or into such account of another agent kept in this System as shall be indicated by ATHEXClear or the Clearing Member in accordance with the specific provisions of the Rulebook of such System;
  - c) a collateral on transferable securities in any other CSD, system or registry may be provided in each case under terms comparable that ATHEXClear may specify by its decision, provided that the account where the relevant securities are kept is classified in the relevant depository, system or registry as an account of collateral in favor of ATHEXClear, the collateral provider is identified and the collateral is subject to the terms of Article 5.4(1) of this PART.
- 4. The crediting or registering or entering, as appropriate, of the collateral in the relevant account in favor of ATHEXClear shall generate for the latter the respective rights of collateral taker provided for in the law. ATHEXClear shall have access to the accounts of the preceding paragraphs as System administrator as specified in Article 81 of Law 3606/2007.
  - 5. When the Clearing Member having provided the collateral in relation to a Clearing Account requests its return, ATHEXClear shall make the released collateral available to the Clearing Member into the respective account provided for in each case in this Article, provided that there are no obligations to provide Margin for the relevant Clearing Account or that such obligations are otherwise met as provided for herein. ATHEXClear may refuse to return the excess aforesaid collateral for the coverage of any potential risks associated either with the relevant Clients Clearing Account, or in case of article 5.4. par. 4 (2) with Clients Clearing Accounts or Client Clearing Accounts of the requesting Clearing Member
  - 6. ATHEXClear may, by its decisions, specify every technical issue and necessary detail in relation to the implementation of the terms of this Article.

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<sup>23</sup> In instance a) of subparagraph 3, article 5.5, the reference to "5.2 par. (3)" was replaced by "5.2 par. (3) (b)" as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.



## PART 6. Default Fund

### 6.1. General provisions

1. A Default Fund shall be created under this Chapter that shall operate in accordance with applicable provisions, in particular Article 42 of Regulation (EU) No 648/2012, Articles 29 to 31 of Regulation (EU) No 153/2013. The Default Fund shall constitute total assets created to serve the Funds purpose by means of the contributions of Clearing Members. The cash in the Fund shall be jointly owned by the Clearing Members pro rata their participation in it. The Default Fund shall not constitute a legal person, while in terms of its legal relations, it shall be represented by ATHEXClear acting as its administrator.
2. On the cash available each time in the Default Fund, as established hereunder, a financial collateral shall be given to ATHEXClear as collateral taker in accordance with the provisions of Law 3301/2004; ATHEXClear shall be entitled use the cash in the Fund applying the provisions of Article 6.8. of this Part.
3. ATHEXClear shall manage the Default Fund to pay for default caused losses pursuant to Article 2.5 of SECTION IV.
4. The Default Fund shall be a risk sharing fund, as in case of inadequacy of the Share Account of a Clearing Member to cover loss resulting from default of such Clearing Member, the portion of the loss remaining after the use of Special Own Resources of ATHEXClear shall be charged pro rata to the Share Accounts of the other Clearing Members participating in the Default Fund accordingly reducing their participation in it.
5. The amount in the Default Fund and the contributions and respective share accounts of Clearing Members in it shall be established in accordance with the terms of this PART. The sum of the minimum contributions of the Clearing Members as defined in this PART shall be the lower limit of the Default Fund amount.
6. The participation of each Clearing Member in the Default Fund shall be determined by its share account. The share account consists of the Clearing Member's contributions to the Default Fund, plus the proceeds corresponding to such share account on the basis of the rules of management and investments applied by ATHEXClear, less all manner expenses in particular risk management and collateral expenses, as determined by procedures of ATHEXClear. Proceeds and expenses shall be allocated to each Clearing Member share account in the Default Fund depending on the amount in such share account.
7. Contributions to the Default Fund shall be paid by Clearing Members in full and cash through such bank account as shall be indicated by ATHEXClear. Where a monetary amount is reimbursed into a share account, if necessary hereunder, ATHEXClear shall pay the amount into the bank account of the Clearing Member concerned.
8. The cash of the Default Fund shall be kept in one or more accounts with the Bank of Greece or another central bank or a credit institution under the provisions of Article 45 of Regulation (EU) No 153/2013 as may be decided by ATHEXClear. ATHEXClear shall enter the respective accounting entries in its records for all cash in the Default Fund, and for cash per Clearing Member Share Account.



## 6.2. Share Accounts

1. Each Clearing Member shall keep only a single one share account in the Default Fund. Such share account shall be opened upon obtaining Clearing Member capacity.
2. Any mergers or splits or deactivations of share accounts as a result of corporate actions or other events of Clearing Members, such as cases of merger or acquisition, shall be settled by decision of ATHEXClear.
3. A Clearing Member share account shall be deleted in case of loss of the Clearing Member capacity, as established in each case in this Rulebook.

## 6.3. Initial and minimum contribution

1. Clearing Members shall make an initial contribution to the Default Fund in order to acquire Clearing Member capacity.
2. The amount of the initial contribution shall, in the case of Direct Clearing Members, be thirty thousand euros (EUR 30,000), and, in the case of General Clearing Members, five hundred thousand euros (EUR 500,000).
3. The minimum contribution of Clearing Members to the Default Fund, as determined by the following provisions, may not be less than the initial contribution.

## 6.4. Rules for calculating the Default Fund and share accounts of Clearing Members

### 6.4.1. Size of Clearing Member share account

1. The amount of each Clearing Member share account in respect of any current calculation period shall be the product of multiplying a rate (Contribution Rate), as defined by ATHEXClear, on the sum of the average Margin of all Clearing Accounts of each Clearing Member for the calculation period and the minimum contribution, whichever is greater. In particular, the amount of the share account ( $s_i$ ) of Clearing Member (i) shall be calculated using the following formula:

$$\mu_i = \max \left( \alpha \cdot \sum_{k=1}^{N(i)} \left( \frac{\sum_{j=1}^{M_{k,i}} M(k,i,j)}{M_{k,i}} \right), \text{Minimum Contribution} \right)$$

where:

$N(i)$ : The total number of Clearing Accounts of Clearing Member i in the calculation period.

$M(k,i,j)$ : The Margin of Clearing Account k of Clearing Member i computed at the end of session j. If the margin is calculated in a currency other than euro, the value of the margin shall be converted into euros using the exchange rate on the last day of the calculation period.

$M_{k,i}$ : the number of sessions of the Market in the previous calculation period, at which a non-zero margin was calculated for Clearing Account k of Clearing Member i.

Minimum Contribution (i): The minimum required contribution into the Default Fund by Clearing Member i as provided for in Article 6.3.

$\alpha$ : The contribution rate, which is expressed as a percentage and defined and published by ATHEXCLEAR.

#### **6.4.2. Size of Default Fund**

1. The amount of the Default Fund shall be calculated on a periodic basis in accordance with the procedures of ATHEXCLEAR. In any case, the calculation period may not be greater than three (3) months. The calculation of the amount of the Default Fund shall take place in the first three (3) business days of each current calculation period. Following its calculation, ATHEXCLEAR shall communicate the relevant amount to the Clearing Members and publish it on its website. ATHEXCLEAR shall, by its decision, establish the frequency of the relevant calculation as well as any other relevant matter.
2. The amount of the Default Fund shall be the sum of the share accounts of all Clearing Members as calculated in accordance with Article 6.4.1 of this PART.
3. When adjusting the Default Fund, ATHEXCLEAR shall apply a methodology by which it shall check, for the calculation period, if the amount of the Default Fund as calculated in accordance with the previous paragraph, would be sufficient to cover losses beyond the Margins under extreme but plausible market conditions (stress testing), that may arise in case of default of a Clearing Member in which the System has the greatest risk exposure or of the second and third Clearing Members, if the cumulative exposure is higher, taking into account the dependencies of their groups, based also on applicable provisions. It shall check whether the Default Fund and the Special Own Resources of ATHEXCLEAR would be sufficient to cover loss in case of default of the Clearing Members ranking first and second in terms of exposure, taking into account the dependencies of their groups, based also on applicable provisions. In case of insufficiency, ATHEXCLEAR shall modify the Contribution Rate under Article 6.4.1 of this PART, adjusting the amount of the share account of each Clearing Member, so as to meet, taking into account the adjusted Default Fund, the above requirements. In this case, the amount of the Default Fund shall for the purposes hereof be the amount resulting after applying the above methodology. ATHEXCLEAR shall by its relevant procedures establish all relevant issues and necessary details.
4. ATHEXCLEAR shall also implement a testing program through which:
  - a) it shall conduct daily stress tests on the above available resources against counterparty credit risk using standard and predetermined parameters and assumptions. In case of insufficiency, it shall decide to cover the shortfall by increasing the resources available, which may include increasing the Default Fund, increasing the margins for one or more Clearing Accounts or increasing the Special Own Resources;
  - b) it shall analyze and monitor the liquidity risk by conducting at least daily stress tests of its liquid financial resources. In case of insufficiency, it shall decide to cover the shortfall by increasing the resources available, which may include increasing the Default Fund, increasing the margins that must be covered by cash for one or more Clearing Accounts or increasing the Special Own Resources or securing liquidity lines with credit institutions.

### 6.5. Payments due to the readjustment of share accounts

1. When ATHEXCLEAR shall communicate to Clearing Members the amount of the share accounts of Clearing Members in the Default Fund, ATHEXCLEAR shall establish the exact amount to be paid by:
  - a) Clearing Members into the Default Fund; or
  - b) the Default Fund to Clearing Members.
2. Where the value of any share account of a Clearing Member during the previous calculation period falls short of the amount of the share account the Clearing Member must have during the current calculation period, the Clearing Member shall pay in cash the relevant difference into the Default Fund within three (3) business days from the time in which ATHEXCLEAR communicated the amount of the share accounts of Clearing Members in the Fund during the current calculation period.
3. Where the value of each share account of a Clearing Member in the preceding calculation period is greater than the share account value that the Clearing Member must have in the current calculation period, the relative difference shall be paid in cash from the assets of the Default Fund through ATHEXCLEAR to the Clearing Member within four (4) business days from the time in which ATHEXCLEAR communicated the amount of the share accounts of Clearing Members in the Fund during the current calculation period, after the obligations of Clearing Members under paragraph 2 have first been paid.

### 6.6. Extraordinary contributions

1. Extraordinary contributions shall be paid by Clearing Members in the Default Fund by ATHEXCLEAR resolution in case of:
  - a) activation of the Default Fund to replenish its cash that was used to cover the relevant loss, including the portion of participation of the defaulting Clearing Member in the Fund;
  - b) resignation or deletion of a Clearing Member to cover such cash amount of the Default Fund as corresponds to such Clearing Member's participation in it, where following such check as ATHEXCLEAR shall perform to verify the adequacy of decreasing cash using such methods as are prescribed in Article 6.4.2 of this PART inadequate coverage is found;
  - c) of exceptional reasons for the protection of the market in particular due to extreme changes to the prices and in general the figures of the market.
2. Under (a) above, ATHEXCLEAR shall calculate the amount of extraordinary contributions of the Clearing Members based on the new rate of their participation in the Default Fund.
3. In the cases of the preceding paragraphs ATHEXCLEAR shall, for the purpose of calculating the amount of the extraordinary contributions, apply the procedure under Article 6.4.1 of this Part or, if it finds it necessary, it may establish additional parameters in the calculation to protect the market, and also determine the calculation period as appropriate, taking account of the general conditions of calculation and market conditions. ATHEXCLEAR shall promptly communicate its relevant decision to the HCMC.

4. Where a decision is made for extraordinary adjustment of the Default Fund, ATHEXClear shall appoint the methodology and parameters based on which the adjustment shall be performed, which may differ from the methodology followed for the ordinary adjustment of the Fund, taking into account the reasons that caused the need for adjustment. It shall also specify the period within which the Clearing Members shall provide additional contributions.

#### **6.7. Late payment of contributions to the Default Fund**

1. In case of untimely payment by a Clearing Member into the Default Fund of its contribution, such Clearing Member shall not be allowed, until such time as it has fulfilled its relevant obligation, to undertake transactions for clearing, except for coverage transactions conducted to cover a possible default. Similarly, Market Members shall also be excluded from carrying out transactions, except coverage transactions, provided that these are cleared by the defaulting Clearing Member.

#### **6.8. Use and replenishment of Default Fund resources**

1. ATHEXClear may make temporary use of the cash of the Default Fund as collateral taker in exercising the right of use under Article 6.1 of this PART in case of default of a Clearing Member. ATHEXClear shall make such use to cover liquidity risk in relation to pending transactions, positions and obligations of the defaulting Clearing Member of the Clearing Accounts it handles, as well as from the hedging transaction conducted by ATHEXClear to manage its default in accordance with Article 2.3 of SECTION IV, also including all manner of expenses related to the completion of transactions or coverage transactions, as appropriate.
2. In case of use of the cash of the Default Fund pursuant to the preceding paragraph, ATHEXClear shall within a reasonable time and in any case before using the Default Fund to cover any losses caused by the default replenish such cash as defined in Article 2.5 of SECTION IV. Alternatively, ATHEXClear may offset the value of the cash to be replenished with the amount corresponding to the loss covered using the Default Fund pursuant to Article 2.5 of SECTION IV.
3. If while the handling of the first default is pending a second or more defaults occur, the use of cash for each default in accordance with the previous paragraph shall take place sequentially and by time priority, by covering, in accordance with Article 2.5 of SECTION IV, the loss of each previous default.
4. ATHEXClear may, alternatively or cumulatively in relation to the possibility of temporary use of the cash in the Default Fund, as provided for in the previous paragraph, make use of credit facilities to cover default situations in accordance with the relevant procedures and applicable provisions.

#### **6.9. Resources, assets and eligible investments of the Default Fund**

1. The cash of the Default Fund shall be invested by ATHEXClear in accordance with the investment policy it adopts and implements pursuant to applicable provisions.
2. Default Fund resources shall be all kinds of contributions of Clearing Members, as defined in this Rulebook, and all kinds of proceeds from the investment of its cash in accordance with the preceding paragraph.

3. For the needs of investing the cash of the Default Fund, ATHEXClear may setup committees operating under its control.
4. The fiscal year of the Default Fund shall be one calendar year. At the end of each fiscal year of the Default Fund, ATHEXClear shall prepare its annual management report regarding the Fund.
5. The annual report of the Default Fund may be included in more general reports that ATHEXClear may prepare in relation to the financial resources it keeps and may invest also based on applicable provisions.
6. The annual report shall include the assets of the Default Fund, a detailed income statement, which shall include, by category, revenues from its placements and all manner of contributions paid into it, and any loss resulting from its activation, a detailed statement of Default Fund disbursements pursuant to the terms hereof, a detailed list of outstanding and paid out claims resulting from defaults, and a detailed list of loan or credit balances and the claims that have arisen to settle defaults.
7. The auditing of the financial management of the Default Fund and the of the annual management report prepared by ATHEXClear shall be assigned to two (2) auditors or a recognized auditing firm. The term in office of such bodies may be renewed without limitation. The auditors report shall be submitted to the HCMC.
8. ATHEXClear shall immediately make available to the HCMC when so requested by the latter the reports under the preceding subparagraphs, as well as any other data and information relating to the administration and management of the Default Fund.

## **PART 7. Clearing Procedure**

### **7.1. General Provision**

1. This Part sets out the terms and conditions under which transactions are cleared through the System. The clearing procedure involves the participation of Clearing Members and ATHEXClear, as well as Market Members, as appropriate, in accordance with the specific provisions in this PART.
2. Clearing shall include the following subprocedures:
  - a) disclosure of transactions to be cleared by the Market Operator to ATHEXClear;
  - b) transaction structure;
  - c) finalization of positions;
  - d) calculation, netting and valuation of positions;
  - e) valuation of collateral;
  - f) calculation of the requirements to provide Margin;
  - g) Credit Limit calculation and monitoring;
  - h) calculation of the claims and obligations to be settled;

- i) exercise of rights, as appropriate;
  - j) adjusting of positions due to corporate actions;
  - k) communication of clearing results.
- 3. Also, the following specific procedures are performed:
  - a) settlement transfer;
  - b) communication of Securities Settlement Account;
  - c) execution of Intermediary actions to beneficiaries;
  - d) consensual transfer of positions.
- 4. Any procedural or technical details concerning the clearing operation shall be determined in accordance with the decisions and procedures of ATHEXClear.

## **7.2. Notification of transactions to be cleared**

- 1. After the end of the Market meeting or during such meeting, the Market Operator shall electronically transmit on the same day, under its responsibility, to ATHEXClear details of the transactions carried out during the relevant day. The details transmitted shall be checked by ATHEXClear in accordance with the terms of the following paragraphs.
- 2. The transaction details per action (sale or buy) must be:
  - a) trade details. Such details are:
    - (i) derivative or securities lending product series;
    - (ii) trading currency;
    - (iii) Clearing Account code and Clearing Subaccount code;
    - (iv) Quantity
    - (v) price.
    - (vi) Transaction classification (buy or sell).
    - (vii) trade date and time;
  - b) relevant indication, whether it is a Block Trade (block) that has been conducted in a Market.
  - c) Details of the counterparty Market Members and of the principals. Such details are:
    - (i) the codes of the counterparty Market Members;
    - (ii) the Trading Code.
- 3. ATHEXClear shall check on the same day the information communicated in accordance with the preceding paragraphs. If such information does not include any of the items under paragraph 2, ATHEXClear shall reject the entry into the System of the respective actions. Furthermore, the Trade Codes serve to automatically identify in the System the Position Accounts linked to them, as such accounts are identified based on the applications for their opening filed by Clearing Members.

4. Where any of the items under paragraph 2 are missing or are inaccurate, ATHEXClear shall inform the Market Operator accordingly. To remedy such missing or inaccurate information, the Market Operator shall transmit on the same day new detailed information in respect of the same day in replacement of previously submitted information.

### **7.3. Transaction shaping**

The provisions of this paragraph shall not apply to transactions in securities lending products.

#### **7.3.1. Shaping procedures**

1. Following communication of the transaction details in accordance with Article 7.2 and before position finalization in accordance with Article 7.4, it shall be allowed within such planned schedule as shall be fixed by ATHEXClear in its relevant decision to structure transactions. Such structuring shall include the procedures laid down in Articles 7.3.2 to 7.3.4 of this PART. In any case, in order to perform structuring procedures, the information declared in each must have been entered in the System.
2. During structuring procedures, Clearing Members may receive through the System information about the transactions and positions being structured.

#### **7.3.2. Change of Trading Code**

1. It shall be allowed to transfer a transaction, or part thereof, from a Trading Code, as communicated in accordance with Article 7.2 of this PART, to another Trade Code of the same Market Member of the same or different Position Account of the same or different Clearing Subaccount or Clearing Account of the same or different Clearing Member (change of Trade Code and/or Position Account and/or Clearing Subaccount and/or Clearing Account) by simple declaration of the Market Member in the System provided that:
  - a) in case the transfer entails a change of Position Account, the transfer shall be:
    - (i) from an Investor Position Account to another Investor Position Account or to a Member Error Position Account;
    - (ii) from an Operator Position Account or an Intermediary's Clients Position Account to one or more Investor Position Accounts performed after the transaction split. The transaction split shall entail its allocation to more actions. Split transactions shall for the purposes of clearing be handled by the System up as separate actions;
  - b) if the transfer entails a change of Clearing Subaccount or Clearing Account of the same or different Clearing Member, the Credit Limit of the Market Member shall be based on the relevant Clearing Subaccount and be sufficient to cover the risk associated with the transaction transferred to it.
2. Changes of Trade Codes and transaction splits performed by a Market Member in accordance with the previous paragraph shall be freely revocable by the Clearing Members which participate in the transfer and split, as appropriate, until the end of the relevant procedure based on the schedule fixed by ATHEXClear.



### **7.3.3. Change of Position Account**

1. It shall be allowed to transfer a Position Account transaction, as the respective transaction has been communicated using the procedure pursuant to Article 7.2. of this PART, to another Position Account of the same account or a different Clearing Subaccount and/or Account of the same Clearing Member (change of Position Account) by simple declaration of the Clearing Member in the System until the end of the relevant procedure based on the schedule set by ATHEXClear, only in the following cases:
  - a) where the transfer is made from an Investor Position Account to another Investor Position Account or to a Member Error Position Account;
  - b) where the transfer is made from an Operator Position Account or an Intermediary's Clients Position Account to one or more Investor Position Accounts performed after the split of transactions, as provided for in the previous subparagraph.

### **7.3.4. Change of Clearing Subaccount or Clearing Account - Clearing Transfer**

1. It shall, as notified using the procedure under Article 7.2 of this PART, be allowed to transfer transactions between Clearing Subaccounts or Clearing Accounts of the same Clearing Member (change of Clearing Subaccount and/or Clearing Account) or different Clearing Members (clearing transfer) until the end of the relevant procedure based on the schedule set by ATHEXClear under the following conditions:
  - a) in case of transfer of transactions between Clearing Subaccounts or Clearing Accounts of the same Clearing Member, the transfer shall be executed by simple declaration of the Clearing Member in the System;
  - b) in case of transfer of transactions between Clearing Subaccounts or Clearing Accounts of different Clearing Members the transfer shall be conditional on the transfer of clearing on approval by ATHEXClear. Approval shall be granted on a request of transfer and undertaking of the deferral by the Clearing Members concerned and if the Credit Limit of both the Clearing Member deferring the clearing and the Clearing Member undertaking the clearing are sufficient to cover the risk associated with the transaction transferred to it. If the Clearing Member undertaking the transferred transaction is a Direct Clearing Member, the relevant transaction must have been carried out by the same as Market Member.

## **7.4. Finalization of Positions**

1. After completion of the structuring procedure, disclosed transactions shall be finalized for the purposes of clearing, forming all positions per Clearing Account.
2. After their finalization, transactions shall not be subject to any modification, correction or completion by ATHEXClear. By exception, in application of Article 29 of Law 2579/1998 (Government Gazette A' 31), the relevant transactions may be characterized as transactions under cancellation and may, therefore, be subject to cancellation. In this case, the Market Operator shall communicate to ATHEXClear on the same day the decision for cancellation, as appropriate in each case, so that



such actions do not, by being void, produce any legal effect as they are considered to not have been effected.

3. In case of default of a Clearing Member, as regards any kind of actions of ATHEXCLEAR regarding clearing, settlement, collateral taking or contributions to the Default Fund hereunder or exercising the right to use them as specified herein, finality shall apply from the completion of the cleared action in accordance with Article 79(3) of Law 3606/2007.

### 7.5. Calculation, Netting and Valuation of Positions

1. Following the finalization of positions, ATHEXCLEAR shall calculate the positions of Clearing Members.
2. The positions of each Position Account, as they are automatically entered in it and structured as provided for herein, shall, after their finalization, be subject to automatic netting, unless the Clearing Member handling the Position Account declares that the positions shall not be netted.
3. The calculation of positions for the purposes of clearing shall be conducted by Clearing Member's Clearing Account.
4. To calculate positions per Clearing Account, positions by type of transaction (sale-buy lending-borrowing or exercise of rights) and by derivative Series shall be summed. In particular with regard to positions in securities lending or borrowing products, positions shall be calculated per transaction.
5. The positions of each Clearing Account, as they result from the positions of the Position Accounts of the Clearing Subaccounts thereof shall, following their shaping in accordance with the terms hereof, be subject to mandatory netting except in the case of a Direct Clients Clearing Account or an Indirect Clients Clearing Account which has been flagged as not subject to netting in accordance with par. 4, article 4.1.1 of Section II.<sup>24</sup>
6. Based on the netting ATHEXCLEAR shall calculate the net position of the Clearing Member by Clearing Account per settlement day.
7. ATHEXCLEAR shall value the positions of each Clearing Member by derivative and derivative series and by securities lending product per Clearing Account of the Clearing Member.
8. The valuation shall be carried out by ATHEXCLEAR daily, throughout the duration of the meeting of the Market, as well as after the finalization of the positions in accordance with the procedures of ATHEXCLEAR at times it shall establish as per its procedures.

### 7.6. Collateral valuation

For the purposes of meeting Margin and Credit Limit requirements, ATHEXCLEAR shall value the collateral provided by Clearing Account in accordance with Article 5.3 of this SECTION.

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<sup>24</sup> Paragraph 5 of article 7.5 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

### 7.7. Calculation of Margin provision requirements

1. ATHEXCLEAR shall calculate the obligations of each Clearing Member to provide the Margin required by ATHEXCLEAR each time per Clearing Account of the Clearing Member.
2. The calculation of the margin provision requirements shall be based on the valuations carried out by ATHEXCLEAR daily throughout the duration of the Market meeting, as well as after the finalization of positions.
3. ATHEXCLEAR shall calculate Margin provision requirements in accordance with the provisions of Article 41 of Regulation (EU) No 648/2012, Articles 24-28 of Commission Delegated Regulation (EU) No 153/2013 and the provisions of Commission Delegated Regulation (EU) 2017/2154, particularly taking into account the following data:
  - a) the positions per Clearing Account;
  - b) the positions of Position Accounts, in the case of a Direct Clients Clearing Account or an Indirect Clients Clearing Account which has been flagged as not subject to netting in accordance with par. 4, article 4.1.1 of Section II;
  - c) valuation prices of the underlying securities, based on such method as ATHEXCLEAR shall establish in its relevant decision;
  - d) volatility of the underlying securities, as defined by ATHEXCLEAR in its relevant decision;
  - e) any other relevant information on the operational characteristics of the transactions.<sup>25</sup>
4. ATHEXCLEAR shall be entitled at any time to change the methods for calculating and valuing any variable involved in specifying the Margin for the purpose of protecting the market. ATHEXCLEAR shall also be entitled to increase at any time the Margin requirements for both all Clearing Accounts and for individual Accounts, and set a time limit for their covering, taking into account in particular any imminent risks.
5. If the Margin requirement of ATHEXCLEAR in relation to a Clearing Member Clearing Account, as calculated by it on the basis of the valuations it conducts after the finalization of the Clearing Account positions, is greater in value than the value of all collateral of the relevant Account, as such collateral have been provided to ATHEXCLEAR hereunder, the Clearing Member shall be notified of the requirement by ATHEXCLEAR and must ensure to cover the shortfall by payment in cash within a time limit before the start of the next meeting of the Market, as shall be established in the relevant decision of ATHEXCLEAR.
6. If the Margin requirement of ATHEXCLEAR in relation to a Clearing Member Clearing Account, as calculated by it on the basis of the valuations it conducts after the finalization of positions, is less in value than the value of all collateral of the relevant Account, as such collateral have been provided to ATHEXCLEAR hereunder, the surplus shall be considered as available coverage. ATHEXCLEAR shall pay Credit

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<sup>25</sup> Subparagraph 3 of article 7.7 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

Limit to the Clearing Member per Clearing Account at the most up to the amount of its available coverage.

7. If no available coverage exists in favor of ATHEXClear in terms of a Clearing Member Clearing Account, such Clearing Member shall not be allowed, until such time as it has fulfilled its relevant obligation, to undertake transactions for clearing, except for coverage transactions conducted to close the positions of the relevant Clearing Account. Market Members whose transactions shall be cleared through such Clearing Account shall also be excluded.
8. If collateral is provided to ATHEXClear by a Clearing Member as collateral provider and this is provided to cover the requirements arising from more than one Clearing Account, the Clearing Member must state the part of collateral that under its responsibility corresponds to each Clearing Account. In case of default of a Clearing Member as provided for herein, such collateral shall be used by ATHEXClear under the conditions laid down in Article 2.5 of SECTION IV.

## **7.8. Limit Calculation and Monitoring**

### **7.8.1. Credit Limits**

1. ATHEXClear shall before the start of each meeting of the Market set the Credit Limit of each Clearing Member in respect of each Clearing Account of such Clearing Member based on its available coverage in accordance with Article 7.7 of this PART, and shall enter it in the relevant Clearing Account.
2. Subsequently, ATHEXClear shall make an entry of the percentages of allocation, where such allocation exists, of the Credit Limit among Market Members of the same or different Clearing Subaccounts of the relevant Clearing Account based on the declarations of the Clearing Member.
3. The Clearing Member may change the percentages of allocation of the Credit Limit of each Clearing Account to the Market Members at the meeting. In case of a declaration of change of the Credit Limit allocated by a Clearing Member to a Market Member, the declaration shall be accepted by ATHEXClear if the new reduced Credit Limit of the Market Member is greater than the Credit Limit it has already consumed.
4. Where a declaration is made for the increase of the Credit Limit of a Market Member, the allocation of the Credit Limit by a General Clearing Member per Clearing Account shall not exceed, per Market Member or for all the Market Members, whose transactions it clears through the relevant Clearing Account, the Credit Limit of the Clearing Account of the Clearing Member, as such Credit Limit stands each time at the moment of the allocation according to the terms of the next paragraph.
5. During the market session and at regular intervals the Credit Limit shall be recomputed (increase or drop) for each Clearing Account, considering, particularly, the value of the collateral given, the Margin requirement, the (positive or negative) difference in Futures valuation, the trading risk for all relevant Subaccounts pursuant to point 6, and outstanding amounts relating to payments or collections out of the purchase or sale of options throughout the day. ATHEXClear shall by its resolution establish the frequency of and method for recomputing the credit limit per Clearing Account during the meeting.

6. During the session of the Market, ATHEXCLEAR shall gradually subtract from the Credit Limit of each Clearing Member, per Clearing Subaccount and Market Member, the Credit Limit it has consumed based on unexecuted orders entered by the Market Member in the Market, and the transactions it has completed during the relevant meeting and using such method as is established by ATHEXCLEAR in its resolution.
7. If there is no available coverage for the relevant Subaccount and Market Member, the Credit Limit of the Clearing Member shall be zero for them and the consequences of prohibiting the entry of orders shall apply in accordance with Article 7.7 (7) of this PART.
8. During the market session and at regular intervals ATHEXCLEAR may compute per Clearing Member Clearing Account the Intraday Risk Change, considering, particularly, the value of the collateral given, the Margin requirement, the (positive or negative) difference in Futures valuation, and outstanding amounts relating to payments or collections out of the purchase or sale of options throughout the day. Where for Clearing Account the Intraday Risk Change exceeds such limit as ATHEXCLEAR shall fix for such purpose (Intraday Risk Change Limit), the Credit Limits shall be immediately zeroed for all Market Members that have their transactions cleared through such Clearing Account and the consequences of prohibiting the entry of orders shall apply in accordance with Article 7.7 of this PART until such time as additional collateral has been given to cause the Intraday Risk Change to drop under such limit as ATHEXCLEAR fixes to that end (Intraday Risk Change Recovery Limit). ATHEXCLEAR may by its resolution fix the method to be used to compute the Intraday Risk Change per Clearing Account throughout the meeting, as well as the aforementioned limits.
9. ATHEXCLEAR shall transmit to the Market Operator the Credit Limit per Clearing Member and Market Member Clearing Subaccount before the meeting, and it shall also transmit to it the Credit Limit as it changes during the meeting in accordance with Article 7.7 of this PART and the terms of the preceding paragraphs. The Market Operator shall enter in the trading system the Credit Limit transmitted to it by ATHEXCLEAR and constantly monitored by the latter during the session.

#### **7.8.2. Position Limit**

1. ATHEXCLEAR may set a Position Limit per class of derivatives or securities lending products per Clearing Account and/or Clearing Member, as well as for the Market as a whole.
2. The Position Limits applicable each time shall be set by decision of ATHEXCLEAR establishing the method for their calculation and any other necessary implementation condition.
3. In case of violation of the Position Limit, the Clearing Member shall close or split it to more Clearing Accounts based on the decisions and guidelines of ATHEXCLEAR.

#### **7.9. Calculation of rights and claims for settlement**

1. ATHEXCLEAR shall calculate on a daily basis by Position Account and Settlement Clearing the cash claims and obligations of Clearing Members to be settled, as they result from the transactions and positions they keep on the basis of the characteristics of derivatives and securities lending products, as appropriate. .

2. To calculate the above cash claims and obligations per settlement day, ATHEXClear shall consider:
  - a) any claims to pay prices or other cash claims and obligations arising from the completion of transactions;
  - b) positions, netted or otherwise, in accordance with this Rulebook;
  - c) the exercising of any rights arising out of such transactions and positions;
  - d) the clearing prices, as determined by ATHEXClear.
3. Without prejudice to the provisions relating to the procedure for delivery upon payment specified in SECTION III, ATHEXClear shall net:
  - a) by Clearing Account the cash claims and obligations to be settled, if they fall due on the same settlement day; and
  - b) by Clearing Member, the cash claims and obligations resulting after the netting of the preceding paragraph.
4. Each Clearing Member shall fulfill its obligations towards ATHEXClear and collect its corresponding claims as they arise from the cash settlement as provided for in PART 2 of SECTION III.
5. All manner of obligations arising out of the cash settlement must be fulfilled by Clearing Members within the time limit set by decision of ATHEXClear before the commencement of the meeting of the settlement day as stipulated in each case.

## **7.10. Exercise of Rights**

### **7.10.1. Exercise of Options**

1. The exercise of options may arise either due to the receipt by ATHEXClear of a declaration of exercise or automatically at maturity.
2. The declaration of exercise must be made by the Clearing Member managing the relevant Position Account.
3. The Clearing Member shall electronically transmit the declaration to ATHEXClear through the System. No other means of communication shall apply for ATHEXClear and produce any effect even if ATHEXClear has taken cognizance of the declaration so communicated.
4. Options shall be exercised from start of the meeting and until such time limit as shall be set by ATHEXClear and shall be freely revocable until the expiry of such time limit.
5. ATHEXClear shall be entitled cause to exercise an option without the declaration of exercise of the Clearing Member acting on behalf of the beneficiary in terms of options that do not entail the delivery of the underlying security and where in its opinion the exercise of the option generates for the beneficiary the requirement to collect value. In any other case, and if the Clearing Member acting on behalf of the beneficiary communicates to ATHEXClear that it does not wish that ATHEXClear have its option automatically exercised, the exercise of the option shall only be done by declaration of the beneficiary Clearing Member.

6. In case exercise of options, ATHEXCLEAR shall be entitled to randomly select, using a method of its choice, Clearing Member Clearing Account against which it shall in its turn exercise the option.

#### **7.10.2. Exercise of rights on securities lending products**

ATHEXCLEAR determines the procedures for exercising rights on securities lending products in accordance with the Market Rulebook and its procedures.

#### **7.11. Adjustment of positions due to corporate actions**

1. ATHEXCLEAR shall adjust accordingly the rights and obligations arising from the clearing of transactions, subject to the occurrence corporate actions or other events that change any of the characteristics of the underlying securities.
2. ATHEXCLEAR shall make such adjustments in accordance with the adjustment methods provided for in the characteristics of admission of derivatives and securities lending products, as appropriate. Such methods shall be determined by the relevant resolutions of the ATHEXCLEAR Board.
3. ATHEXCLEAR shall communicate to Clearing Members the above adjustments no later than the day on which they take place.

#### **7.12. Announcement of clearing results**

ATHEXCLEAR shall communicate to the Clearing Members the clearing results after each meeting on the same day, within such planned schedules it shall establish pursuant to its procedures.

#### **7.13. Settlement transfer**

1. The provisions of this article shall be in force following ATHEXCLEAR's decision, by virtue of which specific terms and technical details may be set out.
2. This Article shall only apply to cases of delivery of Transferable Securities at maturity or exercise of rights on derivatives settled by physical delivery.
3. When the settlement of the action is to be performed by another Operator and not by the Clearing Member that clears it, the Clearing Member shall transfer it in accordance with the following terms and procedures of ATHEXCLEAR.
4. Under settlement transfer, the Clearing Member shall transfer and the Operator respectively shall undertake the settlement of claims and liabilities arising from the actions concerned. Settlement transfer shall not negate the responsibility of the Clearing Member for the smooth fulfillment of the obligations arising from the transferred action, in case they are not fulfilled by the Operator to whom it was transferred.
5. The following procedure shall be followed for the transfer:
  - a) the action shall be transferred after the finalization of positions and in any case according to the planned scheduled set for that purpose by ATHEXCLEAR. For the transfer of the action to be accepted, the Operator to whom it is transferred must act as an Operator Account Operator in the relevant Share Account of the beneficiary of the transferred action;

- b) the revocation of the transfer by the Clearing Member or its acceptance by the Operator shall be allowed under the following conditions:
  - (i) if the transferred action results in an obligation to deliver Transferable Securities, the revocation of its transfer or acceptance shall be accepted by the System only if the Operator has not made available the Transferable Securities to be delivered for settlement through the communication of a Securities Settlement Account.
  - (ii) If the transferred action results in an cash obligation for payment of the price, the revocation of its transfer or acceptance shall be accepted by the System only if the Operator has not made available the relevant cash amount due for settlement through its Cash Settlement Account;
- c) the Clearing Member is entitled to transfer the transaction to be settled to only one Operator each time;
- d) in case of execution of Intermediary actions to the beneficiaries under Article 7.15 of this PART, the transfer shall only be allowed to the Operator acting as Special Participant of the relevant Clients Position Account of the Intermediary;
- e) upon the Operator making available for settlement the Transferable Securities or cash amounts due of the action under (b) above, its transfer and acceptance shall be considered irrevocable and the Clearing Member shall be substituted, for the needs and only for the needs of settlement of the action, by the Intermediary in relation to the claims and obligations arising out of it;
- f) where the Operator fails to fulfill its obligations in the settlement in respect of the delivery of the Transferable Securities or the payment of the cash amounts due of the act that has been transferred, the transfer shall become inactive, and deemed as not effected and shall not, as for that part, generate any results for ATHEXClear. In these cases, the Clearing Member that transfers action shall be fully responsible for the obligations arising out of the relevant action, and the provisions of SECTION IV shall apply. In the cases of the preceding paragraph, the Clearing Member may transfer again the action to the same or different Operator within such time limit as shall be set by ATHEXClear.

#### **7.14. Declaration of Securities Settlement Account**

1. For the purposes hereof, communication of a Securities Settlement Account shall mean the procedure whereby the Clearing Member or, in the case of transfer under Article 7.13, the Operator to whom the transfer is made, declares through the System the Securities Settlement Account of the Share Account in the DSS, from which or to which the Transferable Securities to which the pending action pertain shall removed or added. The procedure of such communication shall take place after any settlement transfers.
2. The Securities Settlement Account shall be communicated either by the Clearing Member who clears it or by the Operator to whom the action was transferred for its settlement. The Clearing Member or the Operator, as appropriate, may



communicate a Securities Settlement Account only for Securities Settlement Accounts in respect of which they act as Operators.

3. For each pending action, it is allowed to communicate one and only one Securities Settlement Account only once.
4. A Securities Settlement Account must be communicated by the Clearing Members or the Operators to whom the settlement has been transferred no later than on the settlement date and in accordance with such communication schedule as shall be set for that purpose by ATHEXClear.
5. Securities Settlement Account communication shall automatically have the following consequences:
  - a) in case of delivery, the commitment of the Transferable Securities delivered to the communicated Securities Settlement Account;
  - b) in case of receipt, the temporary, without legal effect, entry in the communicated Securities Settlement Account of the amount of Transferable Securities received under settlement.
6. The commitment of the Transferable Securities and temporary entry shall be valid until the completion of the settlement of the action.
7. Any cancellation of the communication of a Securities Settlement Account shall render such commitment and temporary entry invalid.
8. The Clearing Member or the Operator to whom the settlement is transferred may proceed to the total cancellation of the communication of the Securities Settlement Account only until the beginning of the first settlement cycle of the settlement day of the relevant action or until such other time limit as may be set by ATHEXClear. The cancellation of the allocation of the Securities Settlement Account shall entail the respective unblocking or removal of the temporary entry, as specified in paragraph 5.

### **7.15. Execution of Intermediary transactions in favour of beneficiaries**

This Article shall only apply to cases of delivery of Transferable Securities at maturity or exercise of rights on derivatives settled by physical delivery.

#### **7.15.1. Clients Position Account and Intermediary Account**

1. The Clients Position Account shall be opened by Clearing Members only for the Intermediary. To open a Clients Position Account and to fulfill the obligations for physical delivery of Transferable Securities, Special Participants shall open in the System a technical account by Intermediary linked to the Intermediary's Share Account in the DSS in accordance with Article 4.1.3 (6)(d) of SECTION II. For the purposes hereof, Special Participant shall mean Undertaking providing Investment Services or a credit institution within the meaning of Law 3606/2007 and Directive 2004/39/EC that is Operator in the DSS. Clearing Members may also operate as Special Participants. Special Participants do not have to have Clearing Member capacity.
2. The Intermediary's Account does not constitute a Securities Settlement Account. The Intermediary Account shall appear in the DSS as an Interim Account that serves



the performance through it of the actions of the Interim to the final beneficiaries. The provisions hereof applicable to the Securities Settlement Account shall apply accordingly.

3. For actions performed in the name of the Intermediary, but executed in the Share Accounts of other beneficiaries, an Intermediary Account must necessarily be kept under the responsibility of the Special Participants in accordance with the information and technical characteristics set by ATHEXClear. The above actions shall be executed through temporary entries in the Intermediary Account.
4. With regard to the settlement procedure and orders of actions performed in the name of the Intermediary but executed in the Share Accounts of other beneficiaries, the terms of operation of such orders shall apply in accordance with decisions of ATHEXClear and the ATHEXCSD.

#### **7.15.2. Use of the Intermediary Account**

1. The Intermediary Account shall be used for the purposes of communication of Securities Settlement Account as well as to declare a Transferable Securities delivery or receipt settlement order from the relevant Account to those of the final beneficiaries and vice versa.
2. The settlement instructions for delivering or receiving transferable securities under paragraph 1 are executed before and after each settlement cycle of the transactions to be settled that have been carried out in the name of the Intermediary.
3. Transferable Securities of the Intermediary's Investor Share Account in the DSS may be transferred under settlement orders to the Intermediary Account for the execution of the relevant obligation for delivery to beneficiaries, either to supplement the amount of transferable securities owed or to execute a late delivery obligation to the beneficiaries.
4. To settle an action that has been conducted in the name of the Intermediary through Share Accounts of the beneficiaries, it is possible for several Intermediary Accounts to be sequentially involved under the respective settlement orders.
5. Where temporary entries of Transferable Securities balances are kept in the Intermediary Account at the end of such time period as shall be specified by ATHEXClear and in any case at the end of the settlement day, such balances shall be transferred automatically by relevant order of ATHEXClear to the DSS to the linked Investor Share Account of the Intermediary.
6. The execution of settlement orders between the Intermediary and the beneficiaries shall be performed in the DSS, based on a relevant list provided by ATHEXClear to the ATHEXCSD and the conditions of operation of such orders shall be applied in accordance with the decisions of ATHEXClear and the ATHEXCSD.
7. ATHEXClear shall not guarantee the proper fulfillment of the Intermediary's obligations to beneficiaries and vice versa.
8. ATHEXClear may, by its decisions, specify every relevant issue and necessary detail in relation to the implementation of the previous paragraphs.

### 7.16. Consensual transfer of positions

1. It is allowed to transfer the positions of a Position Account Positioning handled by a Clearing Member to another Clearing Member (consensual transfer of positions) upon the request of the Position Account beneficiary to the Clearing Member that handles the relevant Position Account under the following specific conditions:
  - a) the Clearing Member to which the transfer is made has accepted to undertake positions of the Position Account;
  - b) the consensual transfer shall be communicated to ATHEXClear for approval including the mutual declarations of transfer and undertaking of the Clearing Members involved and such other information as may be requested by ATHEXClear;
  - c) both Clearing Members shall have performed their obligations and adequate collateral must be available in their respective Clearing Accounts;
  - d) the Share Account in the DSS to which the new Position Account of the Clearing Member to which the transfer shall be made shall be linked for the entry of the transferred positions must be the same as the Share Account of the Position Account from which the transfer shall be made, unless it is an Intermediary Client's Position Account, in which case it must, by declaration of the Intermediary, be a Share Account of a beneficiary on behalf of whom the Intermediary acts;
  - e) the transfer must be approved by ATHEXClear which for the purpose granting approval shall check compliance with points (a) to (d).
2. ATHEXClear may refuse to grant approval for the transfer under the preceding paragraph notwithstanding the fulfillment of the conditions laid down therein if it finds that this is necessary to ensure a the smooth operation of the clearing. ATHEXClear shall, through the System, communicate to the Clearing Members its decision in relation to the requested transfer and, in case of refusal, provide a reasoned answer.
3. If the transfer of positions is performed from a Position Account to another Position Account of the same Clearing Member, such transfer shall be effected upon request of such Clearing Member to ATHEXClear, subject to approval by the latter, and the provisions of paragraph 1(c) and (d), respectively, and paragraph 2 shall apply.

## SECTION III. SETTLEMENT OF TRANSACTIONS

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### PART 1. Scope of application

1. Under this SECTION, ATHEXClear shall establish the procedures whereby ATHEXClear shall establish the rights to be settled and the respective obligations that arise from the clearing of transactions.
2. ATHEXClear shall provide, using electronic means, to the ATHEXCSD a list on a daily or extraordinary basis, in accordance with its procedures, for the CSD to conduct the cash settlement of transactions, where applicable, and all transfers and relevant entries in the DSS in accordance with this Rulebook and the DSS Regulation. ATHEXCSD shall perform and enter the settlement orders of ATHEXClear, according to the file transmitted to it each time, being responsible for making the relevant transfers, on conditions of delivery on payment or delivery without payment, as appropriate, and as specified in this SECTION, and provide to ATHEXClear all necessary data and information relating to the entries it makes and the balances of Accounts and Share Accounts for the purposes of the settlement of the transactions cleared by ATHEXClear.
3. Respectively, ATHEXClear shall provide the information under the preceding paragraph to any other cash settlement Agent that has undertaken vis-a-vis ATHEXClear the cash settlement of transactions.
4. In any case, the secrecy provisions of Article 81 of Law 3606/2007 shall not apply in respect of ATHEXClear to the data and information received by ATHEXClear from the ATHEXCSD.
5. The finality of settlement actions and orders under Article 79(3) of Law 3606/2007 shall apply from the completion of the transaction being settled.

### PART 2. Participation in settlement procedures

#### 2.1. General provision

1. Transactions settlement shall involve the participation of the ATHEXCSD, cash settlement Agents, ATHEXClear, Clearing Members and Operators, where applicable, in accordance with this Rulebook. Unless otherwise expressly stated, for the purposes of this SECTION, Operators shall mean both the Clearing Members and the Operators that participate in settlement under the terms hereof.
2. Settlement shall be made by the ATHEXCSD and cash settlement Agents as instructed each time by ATHEXClear.

## **2.2. Settlement Accounts**

### **2.2.1. Cash Settlement Accounts**

1. For the cash settlement of transactions, each Clearing Member and each Operator involved in the settlement in accordance with this Rulebook shall make available the Cash Settlement Accounts necessary in each case to such cash settlement Agents as are indicated by ATHEXClear or, under contract, by the ATHEXCSD as well based on the respective procedures.
2. A Cash Settlement Accounts shall be displayed in the System or the DSS, where appropriate, and shows the debit or credit cash balance, which the Clearing Member and the Operator must either pay to or collect of them respectively.
3. Each Clearing Member and each Operator involved in the settlement shall communicate to ATHEXClear the number of Cash Settlement Accounts through which they shall fulfill their cash obligations to the settlement, as well as in relation to the payment of fees to ATHEXClear or third parties for whom ATHEXClear has been designated responsible for collection.

### **2.2.2. Securities Settlement Accounts**

1. The settlement of deliveries and receipts on Transferable Securities shall be effected through the Operator Accounts created in the Securities Accounts of the Share Accounts in the DSS in accordance with the DSS Regulation or, if another system is used, in accordance with the rules of such system. Each Operator Account shall be created in the Securities Account and concern only one Operator, who and only who shall be access to and manage it based on the stipulations of the DSS Regulation.
2. For the purposes of this Rulebook, Operator Accounts shall be considered to be Securities Settlement Accounts for the settlement of delivery and receipt on Transferable Securities.

## **2.3. Special provisions on attachment**

1. In case of attachement (seizure) with regard to the Accounts of Articles 2.2.1 and 2.2.2 of this PART, the provisions of article 78 of Law 3606/2007 shall apply.

## **2.4. Failure to disclose cash settlement data**

1. In case of failure of a cash settlement Agent to promptly communicate to ATHEXClear or the ATHEXCSD, as appropriate, the balances of the Cash Settlement Accounts and execute cash settlement, ATHEXClear shall, after having been informed, take appropriate measures to take care of the cash settlement with alternative procedures it implements in emergency situations and in accordance with applicable provisions. In this case, the cash settlement may be effected by another cash settlement Agent or through the ATHEXCSD or ATHEXClear as per their respective procedures.
2. Where the procedure of the previous paragraph is implemented, Clearing Members or, in case of settlement transfer, the Operators to whom the transfer is made, must pay to ATHEXClear the amounts owed as instructed by ATHEXClear. If a Clearing Member itself or the Operator to whom the transfer was made fails to pay the amount due,

the Clearing Member shall become default and the relevant provisions of SECTION IV shall apply.

3. Where failure of the cash settlement Agent has been remedied, the cash settlement shall be resumed normally through such Agent as per the relevant instructions of the ATHEXCSD and ATHEXClear.

## **PART 3. General principles of settlement**

### **3.1. Settlement in cycles**

1. The settlement of transactions shall be carried out on a daily basis for each settlement day in cycles established based on algorithms and procedures of ATHEXClear and performed by the ATHEXCSD and the respective cash settlement Agents.
2. Settlement operations that cannot be settled in a certain cycle of the settlement day because the settlement conditions that govern them are not met, shall be automatically transferred each time to the next cycle as per the conditions that govern settlement by the ATHEXCSD and the respective cash settlement Agent in accordance with the relevant procedures of ATHEXClear.

### **3.2. Settlement**

1. On derivative transactions involving the delivery of the underlying securities, delivery shall be effected within the respective period specified in the particular characteristics of the derivative.
2. Unless otherwise provided for in the specific characteristics of the derivative, the underlying securities shall be delivered based on delivery versus payment (dvp).
3. If the Transferable Securities to be delivered are monitored by the DSS, the delivery may be done as follows:
  - a) by ATHEXClear undertaking the Transferable Securities to be delivered from the Operator Account of the Investor Share Account of the party responsible for the delivery, which is managed by the Clearing Member representing it in the clearing of its transactions, and transferring them through the Share Account ATHEXClear keeps in the DSS as System Administrator to the respective Operator Account of the beneficiary or by direct transfer from and to the above Accounts of the party responsible for the delivery and the beneficiary, respectively. The ATHEXCSD as DSS Administrator, shall upon the relevant order by ATHEXClear conduct settlement on derivative transactions based on the principle of delivery versus payment (dvp). In this case the delivery of the Transferable Securities shall be made by the ATHEXCSD by transferring them from and to the above Accounts of the party responsible for the delivery and the beneficiary, while the settlement of the price versus delivery shall be effected by the respective debiting and crediting of the Cash Settlement Accounts held by the Clearing Members and the Operators in accordance with the provisions of this Rulebook and the specific settlement procedures;

- b) in case of delivery of Transferable Securities in execution of transactions on securities lending products, the delivery shall be conducted in accordance with the following provisions:
  - (i) in case of an obligation of delivery to ATHEXClear, delivery shall be effected by ATHEXClear taking them from the Operator Account of the Investor Share Account of the party responsible for delivery, managed by the Clearing Member or the Operator, after they have been classified by the Clearing Member or the Operator as "available in favor of ATHEXClear", and transferring them to the Share Account ATHEXClear or, alternatively, by direct transfer by the Clearing Member to the Share Account of ATHEXClear;
  - (ii) in case of an obligation of delivery to ATHEXClear, delivery shall be effected by ATHEXClear transferring the Transferable Securities to be delivered to the Operator Account of the beneficiary's Investor Share Account for taking receipt, managed by its Member;
  - (iii) for the overall monitoring by ATHEXClear of the positions resulting from the above securities lending and borrowing operations, per transacting party, delivery shall be effected through the respective Operator Account of the Investor Share Account. The ATHEXCSD, as DSS Administrator, shall keep in the relevant Accounts of trading investors the information balances "expected securities" and "securities due", which ATHEXClear may take into account when determining the position of the trading investor lender or borrower for return by it and delivery to it, respectively, of the underlying securities;
  - (iv) transfers of Transferable Securities in fulfilling the above delivery obligations shall be effected through the DSS in accordance with applicable provisions of the DSS Regulation. To perform the above transfers, ATHEXClear shall determine electronically vis the DSS the amount and type of the Transferable Securities to be delivered, the Clearing Members as Operators that are required to make the delivery on behalf of investors and the date of the transfer to the DSS;
  - (v) in case of a securities lending transaction completed and settled to cover a transaction of the Securities Market on the next business day from the settlement day, as defined in the ATHEX Rulebook and in the Rulebook For Clearing Book-entry Securities Transactions, the transferable securities delivered in its execution shall retain all rights they had in the previous business day of the day of the securities lending transaction according to data entered by ATHEXClear in the DSS.
- 4. If Transferable Securities for delivery are dematerialized securities of the Greek government, the delivery may, alternatively to the delivery procedure under paragraph 4, be performed in accordance with the following procedure:
  - a) delivery to beneficiaries who have the capacity of Agent of the Dematerialized Security Accounting Monitoring System of the Greek government managed by the Bank of Greece, shall be performed into investor accounts in the above system. In particular, delivery to an investor shall be made directly into such investor's Own Portfolio Account, while

delivery to ATHEXClear shall be made in the investor's Own Portfolio Account for Delivery to ATHEXClear;

- b) the above transfers of securities shall performed by the ATHEXCSD as the DSS Administrator in its capacity as agent of the Dematerialized Security Accounting Monitoring System of the Greek government at the instruction of ATHEXClear.
- 5. ATHEXClear shall requires a Margin to cover the rights and obligations of delivery or receipt of the underlying security as these arise from the day of maturity or exercise of the derivatives until the day of settlement of the relevant rights and obligations.
  - 6. The provisions of PART 6 SECTION III of the Rulebook For Clearing Book Entry Securities Transactions published by ATHEXClear under applicable provisions and the respective resolutions and decisions linked with such settlement shall apply accordingly for the relevant settlement in the event of transferable security deliveries as a result of Derivatives settled by physical delivery, where such deliveries are performed in performing an Intermediary's transactions to the beneficiaries, as set forth in Article 7.15 of SECTION II.

### 3.3. Technical details

- 1. Any procedural or technical details concerning the procedures applied by ATHEXClear in relation to the settlement of transactions, as defined in this SECTION, for instance with respect to the schedule of settlements for the System in accordance with this Rulebook, the specifications of the settlement algorithm, number the and duration of settlement cycles shall be determined by ATHEXClear after taking into account the technical specifications and procedures of the DSS.

## SECTION IV. DEFAULT

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### PART 1. Basic Provisions

#### 1.1. Instances of default

1. If a Clearing Member fails to fulfill its obligations in respect of the clearing and settlement of transactions, as these arise per Clearing Account and laid down in this Rulebook, this Clearing Member shall become in default under this SECTION.
2. Clearing Member default shall be deemed to exist in cases that include but are not limited to the following:
  - a) when in the Cash Settlement Account of the Clearing Member or, where applicable hereunder, the Operator to whom settlement has been transferred, there is not sufficient available cash balance to cover any kind of financial obligations of the Clearing Member or the Operator respectively, as defined in this Rulebook;
  - b) when the Clearing Member or the Operator to whom the settlement of transactions, positions and exercises of rights that entail the delivery of the underlying securities, fails to communicate the Securities Settlement Account as provided for herein and, the amount of Transferable Securities to be delivered is not available in the relevant Share Account in the DSS of the Clearing Member on the day of the settlement, or when in the communicated Securities Settlement Account and in the Share Account in the DSS the quantity to be delivered is not available in accordance with the stipulations of paragraph 3;
  - c) when the Clearing Member does not provide the due collateral in favor of ATHEXClear or the due contribution in favor of the Default Fund as such is set out in this Rulebook.
  - d) on the following cases which for the needs hereof are considered in general as cases of Clearing Member insolvency and may concur irrespective of whether the Member has been in breach of its clearing and settlement obligations against ATHEXClear:
    - (i) in the event of insolvency proceedings being initiated against a Clearing Member provided that ATHEXClear has been informed about it, in accordance with the provisions of Articles 3-7 of Law 2789/2000;
    - (ii) in case of permanent inability of the Clearing Member, due, for instance, to limited liquidity or insolvency problems, in respect of which it has not yet initiated the insolvency proceedings under (i) above, provided that ATHEXClear has been informed about the inability by the competent authorities or otherwise;
    - (iii) In case of any other event, that ATHEXClear becomes aware of, and which is certain that affects the functioning of the Clearing Member and renders or is expected to render impractical the fulfillment of its



obligations, such as for instance the revocation of its operation authorization or authorization to provide services by the Competent Authorities, dissolution of its business, provided that ATHEXClear has been informed about the inability by the supervisory authorities or otherwise.

- (iv) Where a Clearing Member fails to perform obligations it has vis-a-vis ATHEXClear due to reasons other than the present clearing. Such failure to performance may, by way of example, concern such Clearing Member participating in other systems or markets linked to ATHEXClear and where the latter is, as part of its activities and under applicable provisions, exposed to risk.
  - e) Wherever in the current Rulebook the term default is mentioned, it shall include the cases of insolvency as defined above.
- 3. Failure to communicate or late communication of the Securities Settlement Account by the Clearing Member or the Operator to whom the settlement has been transferred, shall have the following effects:
  - a) In case of non allocation by the Clearing Member, ATHEXClear upon commencement of the last settlement batch on the Settlement Date shall consider ipso jure as allocated Securities Settlement Account the one of the Clearing Member's Share Account in the DSS.
  - b) In case of non allocation by the Clearing Member or the (DSS) Operator to whom the settlement has been given up, on the Settlement Date until the deadline set out by ATHEXClear for that day, the allocation obligation returns to the Clearing Member, who must, until the commencement of the last settlement batch on the Settlement Date, allocate the Securities Settlement Account of its Share Account in the DSS or the Securities Settlement Accounts of the respective investors' Share Accounts in the DSS, if allocation of Securities Settlement Accounts is required for more than one investors. In each case, ATHEXClear shall at the start of the last settlement cycle of the settlement day automatically consider as communicated Securities Settlement Account that of the Member Share Account of the Clearing Member that made the relevant transfer.
- 4. In the event of any default, the monies and transferable securities corresponding to pending and unsettled buys or sells shall remain committed in the respective Accounts for ATHEXClear to conduct late settlement.

## 1.2. Information

- 1. Before the measures under Article 2.2, par. (1)(a) to (e) of PART 2 of this SECTION are taken with regard to default, ATHEXClear shall without delay inform the HCMC of the default and provide the particulars of the defaulting Clearing Member. ATHEXClear shall also communicate to the HCMC any measures adopted in each case and whether the default has been removed.
- 2. ATHEXClear shall also promptly inform the Market Operator about the Clearing Member's default, for the Market Operator to take the steps provided for in the Market Rulebook, such as the prohibition to enter orders in the trading system of the Market by Market Members that clear their transactions through the Clearing

Accounts of the defaulting Clearing Member. The sole exception shall be the conduct of coverage transactions to cover the outstanding obligations of the Clearing Member in default.

## **PART 2. Management of Default**

### **2.1. General provisions**

1. The Clearing Member shall conduct Coverage transactions, including securities lending transactions or preagreed securities buy trades to cover its default, as appropriate, and in compliance with any time limits set by ATHEXClear and related instructions. If the Clearing Member is still in default after the expiration of the time limit, ATHEXClear shall take steps in accordance with the following provisions of this PART.
2. Where the default regards the non-fulfillment of obligations to deliver underlying securities, ATHEXClear shall be entitled to convert such non-fulfilled obligations to cash obligations, considering the higher price of the securities to be delivered in the regulated market where such securities are traded as of the day of default.
3. Where the default regards the non-fulfillment on the part of the beneficiary of obligations to take delivery of the underlying securities on the date of receipt of such securities, ATHEXClear shall be entitled to convert its obligations for delivery to cash obligation, considering at least the lower price of the securities to be delivered in the regulated market where such securities are traded as of the day of default.
4. ATHEXClear shall be entitled to convert, wholly or partly, to cash obligations any of its obligations to deliver underlying securities vis-a-vis its counterparties in terms of derivative if it fails to secure such securities, such failure being due, for instance, to inability to obtain the securities to be delivered through securities lending transactions or through other transactions to cover the relevant defaults of its counterparties.
5. In respect of such conversion of its obligations to cash obligations, ATHEXClear shall take into account of the highest trade price of the securities to be delivered in the regulated market where these are traded as of the day of delivery, plus any compensation, as defined in the particular characteristics of the respective derivatives.
6. ATHEXClear shall pay under the cash settlement procedure the relevant amounts due, as established above, after having previously set off any counterclaims it may have against its counterparty beneficiaries. Where the above offset results in a cash difference in favor of ATHEXClear, this shall be used to reduce by the respective amount the obligations of such beneficiaries.
7. In each case ATHEXClear shall inform the Clearing Members involved in the default for the conversion of its obligations pursuant to the foregoing provisions as soon as it becomes aware of its above inability to make delivery.

## 2.2. Individual rights of ATHEXCLEAR

1. Without prejudice to ATHEXCLEAR's rights for taking measures against the default Clearing Member, pursuant to Chapter V, if the said Clearing Member fails to perform its clearing and settlement obligations arising from the Securities Settlement Account held by the said Clearing Member and if the default has not been covered under the provisions of Article 2.1 of this PART, as CCP and System Operator, and depending on the default, ATHEXCLEAR shall have the following legal rights:
  - a) to carry out coverage transactions for covering the pending issues resulting to the settlement from the default, according to the provisions of Article 2.3 of this PART;
  - b) to implement close-out netting clauses under Law 3301/2004 pursuant to Article 2.4 of this PART;
  - c) to make the use or realisation of the collateral as appropriate in accordance with the provisions of article 2.6 of this PART;
  - d) To Collect the required sums from the relevant Share Account of the Clearing Member's Default Fund and/or the corresponding sums from other Share Accounts, as the case may be, according to the provisions of Article 2.5 of this PART;
  - e) to proceed to implement the substitution procedure under Article 2.7 of this Part.
2. With the exception of coverage transactions performed in accordance with the terms hereof to meet the backlog caused by the default with respect to the Member Clearing Account, the defaulting Clearing Member may not clear new transactions until the lifting of the default and in accordance with the instructions and relevant procedures of ATHEXCLEAR. Similarly, until such time Market Members may not enter orders to conduct transactions in the Market, if such transactions are cleared through the defaulting Clearing Member, also in accordance with the provisions of the Market Rulebook.
3. ATHEXCLEAR shall take all necessary measures for informing the Market Operator and cooperating with him with respect to imposing the prohibition on the Market Members to enter orders, according to the provisions of paragraph 2.
4. If the default relates exclusively to failure to timely provide the required collateral or to make the required contributions to the Default Fund, as provided for herein, in relation to a Clearing Account, ATHEXCLEAR shall cooperate with the Market Operator, so that the Clearing Member shall not undertake new transactions for clearing until the relevant default has been lifted, and so that Market Members shall not enter orders to perform transactions in the Market, if such transactions are cleared through the defaulting Clearing Member. In any case coverage transactions shall be allowed.
5. Thirty minutes (30') before the start of the meeting, if the required monies are not available in a Cash Settlement Account of a Clearing Member, such defaulting Clearing Member may not clear new transactions until the default has been lifted, and a fee shall be charged to such Clearing Member, regardless if the default is covered by the Clearing Member or ATHEXCLEAR as follows:

6.

For debts		Fee
From	To	
€ 0.01	€ 30,000.00	€ 300
30,000.01	Unlimited	€ 500

7. The above fee amounts shall be doubled if payment of the amounts owed by the Clearing Member takes place after the meeting starts. The amount of such so imposed fee must be paid on the next business day following the cash settlement procedure, regardless if the relevant obligation is covered subsequently.

8. Where obligations to deliver Transferable Securities versus payment resulting at the maturity of derivative or the exercise of a right thereon are not fulfilled until the settlement day, the Clearing Member shall enter in default. ATHEXClear shall cooperate with the Market Operator, so that the Clearing Member shall not undertake new transactions for clearing until the relevant default has been lifted, if such transactions are cleared through the defaulting Clearing Member, and so that Market Members shall not enter orders to perform transactions in the Market, if such transactions are cleared through the defaulting Clearing Member. In any case Coverage transactions shall be allowed. In case of the above Clearing Member default, a fee shall be charged to such Clearing Member, regardless if the default is covered by the Clearing Member or ATHEXClear as central counterparty, as follows:

9.

	For debts		FEES	Cumulative Fee
	From	To		
T +4	€ 0.01	€ 60,000	€ 300	€ 300
	€ 60,001	€ 90,000	€ 600	€ 900
	€ 90,001	€ 150,000	€ 900	€ 1,800
	€ 150,001	€ 300,000	€ 1500	€ 3,300
	€ 300,001	€ 450,000	€ 3,000	€ 6,300
	€ 450,001	Unlimited	2% of the trade value	2% of the trade value

10. For a Clearing Member not to be excluded from clearing new transactions under paragraph 5 hereof and for Members Market not to be excluded from entering orders in accordance with the preceding paragraphs, the fee provided for in the table above must have been paid, as appropriate, and the unfulfilled obligation of the Clearing Member must have been covered before the commencement of the Market trading session on the business day following the default. In case of failure to comply with the previous subparagraph, exclusion shall be immediately enforced. In case of debt due to non-completion of transactions expressed in another currency, the debt shall be converted into Euros based on the last available exchange rate (as such is defined by ATHEXClear each time) on such business day as follows the default. In case of exclusion, for the Clearing Member to become active again, it must have completely fulfilled all of its above obligations and paid all its debts.

11. In case of delayed delivery of Transferable Securities by a Clearing Member to ATHEXClear in execution of obligations arising from transactions in securities lending products, a fee shall be charged to the Clearing Member standing at three hundred euros (EUR 300) per Transferable Security. Such fee must be paid at the cash settlement of the next meeting of the Market. For a Clearing Member not to be excluded from clearing new transactions and for Members Market not to be excluded from entering orders in the trading system in accordance with the preceding paragraphs, the unfulfilled obligation of the Clearing Member must have been covered before the commencement of the Market meeting. In case of failure to comply with the previous paragraph, exclusion shall be immediately enforced. In case of exclusion, for the Clearing Member to become active again, it must have completely fulfilled all of its above obligations and paid all its debts.
12. The charges under the previous paragraphs are applied on the Clearing Member in default, regardless of the imposition of monetary fines, according to the provisions of Article 1.1 of SECTION V.

### **2.3. Close-out transactions by ATHEXClear**

1. Depending on the default, ATHEXClear shall conduct coverage transactions in accordance with the provisions of the following paragraphs.
2. If transactions must be completed in the Market, such transactions shall be completed by such Market Member as shall be selected by ATHEXClear. Such Member shall be selected by ATHEXClear objectively or randomly based on a list of Members compiled and kept for that purpose by ATHEXClear.
3. If the default regards the non-fulfillment of a cash settlement obligation by the defaulting Clearing Member due to inadequacy of such Clearing Member's Cash Settlement Account, ATHEXClear shall after identifying, following its relevant procedures, the Clearing Account in respect of which the default occurs close or balance the positions of the relevant Account.
4. If the default regards failure to deliver Transferable Securities, it shall cover such default through securities lending transaction or through a block trade for the purchase of Transferable Securities.
5. ATHEXClear may also make off-market coverage transactions as provided for in Article 79 of Law 3606/2007, including, in particular, and depending on the default, borrowing transactions or buy transactions on a sell back agreement on transferable securities to meet obligations of delivery of Transferable Securities arising out of the default, or it may also use credit facilities.
6. ATHEXClear may carry out Position cover trades and take all necessary actions and measures for managing the default with the aim of closing all Positions of the Clearing Member with regard to the System. ATHEXClear shall be entitled, after covering the default, to use any remaining collateral of the Clearing Member to cover losses arising from other clearing obligations to ATHEXClear outside of this Rulebook. Likewise, where a Clearing Member provides own collateral for other clearing obligations vis-a-vis ATHEXClear, outside this Rulebook, and such obligations have been fully settled, ATHEXClear shall apply such collateral, if available, towards loss due to default as provided for herein. In this event, ATHEXClear shall use the collateral before its own Special Own Resources.

## 2.4. Close-out netting

1. ATHEXCLEAR may, in case of default of a Clearing Member in respect of such Member's clearing and settlement obligations arising from a Clearing Account, proceed to a close-out netting pursuant to Law 3301/2004 against the Clearing Member with respect to such so resulting obligations, as specifically provided for in the following subparagraphs. Close-out netting is applied also in the case of a Clients Clearing Account that has been flagged as not subject to netting in accordance with par. 4, article 4.1.1 of Section II.<sup>26</sup>
2. When close-out netting is performed:
  - a) rights of every nature, or obligations of the defaulting Clearing Member arising from the relevant Clearing Account or ATHEXCLEAR's respective obligations payable to him, are established due and payable even if they are not yet due and are expressed as a payment obligation amount in Euros that represents, based on the valuation carried out by ATHEXCLEAR, the current value or expires, automatically or conclusion of a cover transaction and is replaced by an obligation to pay such amount and/or
  - b) The obligations of the Clearing Member in default resulting from the relevant Clearing Account towards ATHEXCLEAR are calculated and vice-versa and the party owing the larger net amount pays to the other party the sum equal to the difference of the obligations.

## 2.5. Loss calculation and coverage method

1. The loss per Clearing Account of the defaulting Clearing Member shall be calculated based on the prices and exchange rates on which ATHEXCLEAR completed coverage transactions under Article 2.3 of this PART to close the positions of the Clearing Account.
2. ATHEXCLEAR shall cover loss per Clearing Account as follows:
  - a) the loss results in relation to the defaulting Clearing Account shall be covered by collateral provided in favor of ATHEXCLEAR for the relevant Clearing Account;
  - b) if the default regards a Clients Clearing Account or a Client Clearing Account and the collateral of the relevant Clearing Account does not suffice to cover the loss under (a), ATHEXCLEAR shall for the purpose of covering the remaining portion of the loss uses the available coverage of the Own Clearing Account of the Clearing Member, as the coverage stands following the coverage of the loss arising out of the relevant Own Clearing Account;
  - c) If the collateral under (a) and (b) are insufficient, ATHEXCLEAR shall for the purposes of covering the remaining portion of the loss, use the share account of the defaulting Clearing Member to the Default Fund;

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<sup>26</sup> The second sentence of subparagraph 1, article 2.4 was added as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXCLEAR.

- d) If the contribution under (c) is insufficient, ATHEXClear shall for the purpose of covering the remaining portion of the loss, use its Special Own Resources;
  - e) if the Special Own Resources under (d) are not sufficient, the remaining portion of the loss shall be covered by the other Share Accounts in the Default Fund pro rata the percentage of participation in Default Fund prior to its activation for the coverage of the particular loss;
  - f) any portion of the loss remaining under (e) above shall be covered by other financial resources of ATHEXClear it has under applicable provisions.
- 3. Minimum Special Own Resources shall be examined on a yearly basis. ATHEXClear shall immediately inform the HCMC if the amount of Special Own Resources held falls below the amount required under Article 35 of Regulation (EU) No 153/2013, listing the reasons for the breach and a comprehensive description in writing of the measures and the timetable for the replenishment of such amount. Where a subsequent default of one or more clearing members occurs before ATHEXClear has reinstated the Special Own Resources, only the residual amount of the allocated Special Own Resources shall be used for the purpose of this Article. ATHEXClear shall reinstate Special Own Resources at the latest within one month from the above notice.
- 4. In covering the loss caused by the default, ATHEXClear comes to possess securities whose trading has been suspended, for the purpose of calculating the loss incurred by ATHEXClear to its satisfaction in accordance with paragraph 1, the transferable securities whose trading is suspended on any grounds shall be valued at zero.
- 5. The loss coverage procedure under the previous paragraphs shall not prejudice the right of ATHEXClear to require the satisfaction of its claims against the defaulting Clearing Member, especially when its Special Own Resources and other financial resources, in accordance with paragraph 2, are used. Default interest shall be computed on the amount of the relevant debt of the defaulting Clearing Member to ATHEXClear as from the day of disbursement.

## **2.6. Use or sale of collateral**

- 1. To meet its requirements to cover the loss caused from the default, ATHEXClear shall use or proceed to the realization, as appropriate, of the collateral provided by the defaulting Clearing Member as follows:
  - a) It shall collect or make use of the amounts due out of the collateral deposited in its favor in the relevant account;
  - b) It proceeds with the forced sale of the transferable securities received as collateral as follows:
    - (i) from the list of Members it keeps, it shall select, in an objective or random manner, one Member and assign to it the sale, which may be conducted through the Market on which the relevant transferable



securities are traded or off-market in accordance with the procedures of ATHEXClear;<sup>27</sup>

- (ii) if it is the case of dematerialized government securities, the realisation may also be made through the Electronic Market of Trading Dematerialized Securities (HDAT) of the Bank of Greece. In this case, ATHEXClear shall select, objectively or randomly, from the relevant list it keeps, the participant (trader) in such Market who will make the realisation and instruct him to make the latter. The realisation shall in any case be done at the current trading prices of the security in the relevant market;
- (iii) if the securities it has received as collateral are due and payable, it shall collect those securities in its own name;
- (iv) if the collateral has been provided under a title transfer financial collateral arrangement, it shall offset the value of such instruments to meet its claims based on such valuation method it shall establish or charge the relevant amounts to the discharge of its own obligations towards the Clearing Member in default.

c) It proceeds with the realisation of all foreign currency received as collateral.

2. ATHEXClear shall choose, at its discretion, from such so provided collateral the ones that it shall realise or collect to easily satisfy its claims in order to cover the loss from the default. The proceeds of the realization in accordance with paragraph 1 shall be applied towards meeting, by priority, expenses, interest and capital. ATHEXClear shall withhold the amount needed to meet its claims as per the above and credit any balance to the person that has been declared for the relevant Clearing Account as being responsible for its collection.<sup>28</sup>

## 2.7. Administrator substitution

1. ATHEXClear shall substitute, in terms of the responsibility for the management of the Clients Clearing Accounts or the Client Clearing Accounts of the defaulting Clearing Member by another Clearing Member, inclusive of the transfer of the respective collateral, pursuant to article 48 of Regulation (EU) No 648/2012 and Commission Delegated Regulation (EU) 2017/2154, in accordance with the specific terms below.
2. Substitute Clearing Member shall mean the Clearing Member that undertakes the obligations of the respective Clearing Account provided it has entered into a contractual agreement in accordance with the provisions of subparagraph 3 and the relevant agreement has been communicated to ATHEXClear in accordance with its procedures by no later than the day of default within the time limit set by ATHEXClear for this purpose.

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<sup>27</sup> Point (i) of instance b), subparagraph 1, article 2.6 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

<sup>28</sup> The final part of subparagraph 2, article 2.6 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

3. The substitute Clearing Member agreement is concluded as follows:
  - a) In the case of a Direct Clients Clearing Account, the agreement is concluded directly with the clients of the Clearing Member in default.
  - b) In the case of an Indirect Clients Clearing Account for which the Clearing Member is responsible in accordance with par. 4 (b) of article 4.1.1, the agreement is concluded directly with the Clients of the Clearing Member in default. In the case of an Indirect Clients Clearing Account for which in accordance with par. 4 (b) of article 4.1.1 the Client of the Clearing Member in the sense of Commission Delegated Regulation (EU) 2017/2154 is responsible, the agreement is concluded directly with the Client.
  - c) In the case of a Client Clearing Account, the agreement is concluded with the Client.
4. If the declaration regarding the substitute Clearing Member has not been promptly communicated to ATHEXClear, the latter shall close the positions of the Clearing Member in default and exercise its rights in general against such Member in order to address the default without adhering to the terms and conditions on substitution in accordance with the provisions of this Rulebook.<sup>29</sup>

## 2.8 Clearing Member insolvency

1. In case of Clearing Member insolvency, the provisions of Article 79 of Law 3606/2007 shall apply.

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<sup>29</sup> Article 2.7 was replaced as above by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.

## SECTION V. MEASURES AGAINST CLEARING MEMBERS

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### PART 1. Types of measures and instances of imposition

#### 1.1. Types of measures

1. ATHEXClear may take the following measures against Clearing Members:

- a) written reprimand;
- b) Imposition of terms or limitations with regard to the Clearing Member's participation in the transactions clearing or settlement, e.g., by way of indication, imposition of liabilities for the mandatory closing of Positions in the case of Clearing Members or undertaking of coverage transactions alone;
- c) prohibition to a Certified Clearer to participate in the clearing of transactions;
- d) Imposition of monetary fines amounting from one hundred (100) euros to one hundred and fifty thousand (150.000) euros concluded as penal clauses which shall be drawn down in case of liable non fulfillment or non duly fulfillment or default with regard to the fulfillment of liabilities arising out of the provisions of this Rulebook. Where closing the positions to settle a Clearing Member's default leads to a positive cash difference for such member, ATHEXClear shall net such difference using the penalty set forth above. The imposition of such penalties shall not prejudice any claim for compensation of ATHEXClear to cover a loss caused to it by the Clearing Member. The above penalties shall be expressly agreed as sanction imposed also in view of the importance of the proper and timely fulfillment of the obligations provided for herein for the smooth functioning of the capital market and, consequently, for safeguarding the legitimate interests of Clearing Members, Operators and investors;
- e) Suspension of the Clearing Member capacity for such period as shall be determined by ATHEXClear in each case. The suspension shall entail loss of the Clearing Member's right to participate in the clearing and settlement of transactions for such period as the suspension applies. The adoption of the suspension measure shall not relieve the Clearing Member from its obligations towards ATHEXClear to pay any debt, including but not being limited to obligations for the payment of annual subscription fees, trade and other fees imposed by ATHEXClear to Clearing Members, even if such obligations come to existence during the period of suspension;
- f) Deletion of the Clearing Member. Deletion shall entail the immediate and forced loss of the Clearing Member capacity. The adoption of the measure of deletion shall render immediately payable and overdue all kinds of claims of ATHEXClear against the Clearing Member, which must proceed to the prompt, complete and proper fulfillment of its obligations as instructed by ATHEXClear. With regard to the return of collateral and contributions of

Article its Share Accounts the provisions of 2.6.2 (4) of SECTION II of this Rulebook shall apply accordingly.

2. ATHEXClear shall close the positions of a Clearing Member where the latter has not closed or transferred such positions by such time limit as ATHEXClear has set, in the event that in accordance with the previous paragraph and for reasons other than default occurring as provided for herein a Clearing Member is suspended or deleted, and provided that the Clearing Member has open positions.
3. Taking measures against Clearing Members shall in no case exempt them from their liability for actions or omissions vis-a-vis ATHEXClear.

## 1.2. Instances of imposition of measures

ATHEXClear shall adopt the measures provided for in the preceding paragraph against Clearing Members in the following cases:

1. Violation by the Clearing Member of the provisions of this Rulebook, in particular:
  - a) When the Clearing Member does not fulfill or inadequately fulfills the conditions required for acquiring the capacity of Clearing Member, indicatively:
    - (i) lack of the required organizational and operational adequacy of the Clearing Member;
    - (ii) decrease of the share capital of the Clearing Member below the minimum threshold required for the acquisition of the capacity;
    - (iii) failure of the employees of the Clearing Member that perform Certified Clearer tasks to satisfy the eligibility criteria;
    - (iv) non-payment or default on the payment of the required subscription and other fees and in general of the debts of the Clearing Member to ATHEXClear;
    - (v) failure to satisfy the conditions of transaction clearing or settlement, as appropriate.
  - b) non-compliance by the Clearing Member with the technical instructions of ATHEXClear or such technical specifications as are set by ATHEXClear for the use and operation of the Systems used by the Member to participate in the clearing or settlement, as appropriate, of transactions;
  - c) Illegal or unauthorized use or exploitation of the systems used by the Clearing Member in order to participate in the clearing or settlement of transactions;
  - d) Non compliance on the part of the Clearing Member with regard to ATHEXClear's requirements, from time to time, concerning its participation in the clearing or settlement, e.g., by way of indication:
    - (i) exceeding the limits set for the Clearing Member;
    - (ii) non-payment of the collateral due to ATHEXClear insurance and of the contributions to the Default Fund;

- (iii) inadequate monitoring of Risks arising from the Positions of the Clearing Accounts kept by the Clearing Member;
  - (iv) failure on the part of the Clearing Member to fulfill its obligations or the instructions of ATHEXCLEAR regarding the management of defaults in the Clearing Accounts it keeps or delayed performance of its obligations.
- 2. Submission by the Clearing Member of false or misleading information to ATHEXCLEAR such as for instance in the following cases:
  - a) Upon submission of the application regarding the acquisition of the capacity of Clearing Member;
  - b) Upon opening and use of all Member's Clearing Accounts concerning its participation in the clearing or settlement of transactions.
  - c) Upon submission of data, supporting documents or information requested from the Member by ATHEXCLEAR, from time to time.
- 3. Failure of the Clearing Member to comply with the communications, decisions or instructions of ATHEXCLEAR.
- 4. Non-fulfillment or improper fulfillment of the obligations of the Clearing Member arising out of all contracts signed with ATHEXCLEAR including but not limited to the technical contracts and general contracts signed by the Member with the ATHEXCLEAR for connecting to the System, and any other obligation arising out of the commitments undertaken by the Clearing Member vis-a-vis ATHEXCLEAR.
- 5. Actions or omissions of the Clearing Member that harm the reputation and prestige of ATHEXCLEAR or constitute a defamation of the services and activities provided and pursued by ATHEXCLEAR.
- 6. Occurrence of events affecting the operation of the Clearing Member, such as the dissolution of the undertaking or company of the Clearing Member, initiation of insolvency proceedings, such as bankruptcy, compulsory winding-up or reorganization of the undertaking or company of the Clearing Member, revocation of the Clearing Member's authorization or of its authorization to provide services.
- 7. Imposing of sanctions on the Clearing Member by the competent authorities.
- 8. ATHEXCLEAR being informed by the competent authorities on the adoption of impose measures against the Clearing Member in order to protect the market and the interests of investors.
- 9. Serious misconduct by the Clearing Member in terms of adhering to legal provisions.

## **PART 2. Procedure for imposition of measures**

### **2.1. Competent bodies**

- 1. The body that is responsible for the enforcement of measures against Clearing Members shall be the Board of Directors of ATHEXCLEAR or such other bodies of ATHEXCLEAR authorized to that end. Prior to the adoption of a measure, ATHEXCLEAR

shall call on representatives of the Clearing Member to hearing before it, either orally or by document, at such time as shall be specified in its relevant notice to the Clearing Member. The hearing procedure may be omitted if ATHEXClear finds necessary the immediate adoption of the measure in order to protect the market and the interests of investors.

2. ATHEXClear shall in the context of the procedure for the imposition of measures against a Member be entitled:
  - a) to request the Clearing Member to submit all data and information deemed necessary for auditing the case under judgment, including the Clearing Member's telephone conversation data, or the data transfer records maintained by the Clearing Member.
  - b) to gain access to all documents held by the Clearing Member and associated with the case in question, and take from it a copy or request the confirmation of data and documents submitted by the Clearing Member by senior executives or statutory bodies of the Clearing Member;
  - c) to request the, in person, appearance of one or more employees, executives, representatives and management executives of the Clearing Member.
  - d) to carry out in situ audits at the Clearing Member's offices or installations.
  - e) to request the immediate cease of practices or procedures applied by the Clearing Member when participating in the clearing or settlement.
3. ATHEXClear shall adopt measures against the Clearing Member, cumulatively or alternatively, as appropriate, taking into account each time all of the necessary circumstances.
4. The decision to take measures against the Clearing Member shall be communicated to the Clearing Member and a copy thereof shall be filed in the Clearing Member's record kept by the competent departments of ATHEXClear.

## **2.2. Review of decisions**

1. A decision of ATHEXClear to take measures against a Clearing Member or an ATHEXClear decision rejecting an application for the acquisition the Member capacity shall be subject to review by the Board of ATHEXClear upon request to that effect by the Clearing Member submitted within a period of five (5) days from the communication of the decision to the Clearing Member.
2. The decision on a review request shall be communicated to the Clearing Member and a copy thereof shall be filed in the Clearing Member's record kept by the competent departments of ATHEXClear.

## **2.3. Enforcement of decisions**

1. If the decision to take measures against a Clearing Member becomes final and irrevocable, it shall be enforced by the competent bodies of ATHEXClear. Where a pecuniary penalty is imposed on the Clearing Member, the Clearing Member shall pay the penalty within thirty (30) days from the date on which the relevant decision became final and irrevocable.
2. A decision imposing measures shall become final and irrevocable:

- a) After the lapse of the five-day deadline regarding the submission of the application for review by the Clearing Member.
- b) Upon communication of ATHEXCLEAR's decision to the Clearing Member on the request for review of the case.

## **2.4. Notification of decisions**

1. Notices to hearing or decisions of ATHEXCLEAR to the Clearing Member shall be communicated by any means of choice of ATHEXCLEAR, even electronic, provided ATHEXCLEAR can easily demonstrate receipt thereof by the Clearing Member.

## **PART 3. Provision of Information**

### **3.1. Professional secrecy**

1. ATHEXCLEAR shall adhere to the professional secrecy with regard to all data and information coming to its knowledge as part of the procedure of adopting measures against a Clearing Member.
2. Provided that ATHEXCLEAR complies with applicable provisions on secrecy, ATHEXCLEAR shall exceptionally provide such data and information to:
  - a) the relevant supervisory authorities or other authorities that have the legal right to access and audit the relevant data, facts and information;
  - b) the Market Operator, and
  - c) any other clearing or settlement body with whom ATHEXCLEAR cooperates, provided that such bodies are legally or contractually bound to observe professional secrecy from their cooperation with ATHEXCLEAR.

### **3.2. Notifications**

1. ATHEXCLEAR shall in each case inform the HCMC:
  - a) a) Regarding the imposition of measures against the Clearing Member and shall provide all necessary data and information with regard to the relevant infringements or the reasons for imposing the measure.
  - b) b) Regarding the removal of a measure, indicatively when there is no reason to maintain it.
2. ATHEXCLEAR may disclose by any suitable means of its choice the enforcement and lifting of measures against a Clearing Member.



## SECTION VI. CHARGES

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### 1.1. ATHEXCLEAR fees for services provided

1. For the clearing of transactions, as these are carried out in accordance with the terms hereof and for providing, in any way or means, to Clearing Members, the Operators, or Market Members all kinds of services related to the clearing and settlement procedure, provided for either in applicable legislation or in this Rulebook, or in any contracts entered into with ATHEXCLEAR, Clearing Members and Operators, the above persons shall pay to ATHEXCLEAR all manner of fees established by decision of ATHEXCLEAR and posted on such website as shall be designated by it.
2. The amount and method of calculation of the fees of ATHEXCLEAR under the preceding subparagraph, and the terms of their payment, the cancellation or imposition of new fees and charges besides those indicated for illustration purposes in the previous paragraph shall be established by decision of ATHEXCLEAR and shall become effective within five (5) business days from the date of adoption of the relevant decision, unless otherwise specified, as appropriate.
3. All prices and fees connected with the services provided, and changes to all such prices and fees shall be disclosed by ATHEXCLEAR and Clearing Members. They shall disclose the prices and fees of each service provided separately, including discounts and rebates and the conditions to benefit from those reductions. ATHEXCLEAR shall allow its clearing members and, where relevant, their clients separate access to the specific services provided.
4. Payment of the fees of ATHEXCLEAR and all manner of charges shall in any case be made in accordance with the terms laid down in the relevant decision of ATHEXCLEAR.
5. ATHEXCLEAR shall not be required to carry out the entries and actions under this Rulebook, if the fees provided for in this Rulebook and its relevant decisions have not been paid to it in advance.

### 1.2. Subscription fees and other financial obligations to ATHEXCLEAR

1. For Clearing Members and Operators to participate in the clearing and settling of transactions and be provided with the relevant services, Clearing Members and Operators shall pay fully and in cash to ATHEXCLEAR any charge determined by decision of ATHEXCLEAR concerning in particular registration fees, certification fees, annual or periodical subscription fees, fees for connecting to the systems of ATHEXCLEAR, fees for using the technical services of ATHEXCLEAR, costs for software licenses and other charges.
2. In respect of the provision of services certifying the adequacy of knowledge of the clearing systems and procedures of individuals, the fees established in ATHEXCLEAR's decision shall be paid to it.
3. The amount and method of calculation of the registration fees, certification fees, subscription fees, fees of use and cost of licenses of ATHEXCLEAR under subparagraph 1 and 2, and the terms of their payment, the cancellation or

imposition of new charges, subscription and other fees shall be established by decision of ATHEXClear and shall become effective within five (5) business days from the date of adoption of the relevant decision of ATHEXClear, unless otherwise specified, as appropriate.

4. Changes to the subscription and all kinds of fees provided for herein shall be published within the same period in a separate space on the website that ATHEXClear shall designate and communicated to the HCMC, to which a revised list of all fees shall be submitted.
5. Payment of the subscription and all manner of fees provided for herein shall in any case be made in accordance with the terms laid down in the relevant decision of ATHEXClear.
6. The registration fees, subscription fees, connection fees and license costs provided for in paragraphs 1 and 2, if paid by Clearing Members and Operators shall not be refundable in case of loss of the Clearing Member or Operator capacity, voluntarily or forced, for any reason, including merger.

### **1.3. Charges in favour of third parties**

1. Fees, charges and royalties in general imposed by third parties such as the Greek State, the Market Operator, the ATHEXCSD or such other agencies and authorities related to clearing and settlement activities and which are paid to such beneficiaries after ATHEXClear having deducted such amounts as corresponds to its charges and costs it incurs to collect such fees, charges and royalties, which are allocated to each beneficiary of such fees, charges, and royalties, may be included by ATHEXClear in the fees calculations it performs.
2. ATHEXClear shall by its decision establish the amount that corresponds each time to the costs ATHEXClear incurs in charging fees on the behalf of third parties and the method of calculating such amount, as provided for in the previous paragraph. The same decision shall also establish the way the relevant costs shall be paid, any changes thereto or the cancellation thereof. Unless otherwise specified and depending on each particular case, all such things as shall be established in the aforementioned decision shall be valid for a period of five (5) days from the making of the decision.
3. A complete list of its fees, as are in force, shall be posted on ATHEXClear's website and communicated to the Hellenic Capital Market Commission. Such list of charges shall be so posted and disclosed by such time limit as is established in paragraph 2.

## SECTION VII. AMENDMENT OF THE RULEBOOK & FINAL PROVISIONS

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### PART 1. Amendment of the Rulebook

#### 1.1. Amendment procedure

1. This Rulebook is amended by Decision ATHEXClear approved by the SEC as to compliance with the relevant provisions, in particular those of Regulation (EU) 648/2012, Law 3606/2007 and the relevant decisions of the HCMC. The amendments approved by the HCMC shall be communicated in accordance with the above applicable provisions, and published together with the new text of the Rulebook on such website as shall be indicated by ATHEXClear and be binding on the parties under the scope of the Rulebook.
2. The amendment of the Rulebook for matters not covered by paragraph 4 shall be decided following consultation with the Rulebook Amendment Committee under Article 1.2 of this PART and, if the issue in question falls within the remit of the Risk Committee of Article 1.3 of this PART, taking into account the opinion of the Risk Committee.
3. The adoption of technical and legal amendments, improvements or corrections of specific provisions of the Rulebook does not require prior consultation.
4. Amendments of legislative or regulatory provisions referred to in this Rulebook or regulate relevant issues or new legislative or regulatory provisions that affect its content, shall also apply to the relations between ATHEXClear and the persons specified in the scope of this Rulebook automatically as they enter into force, without requiring the amendment of the Rulebook. Subsequent amendments to the Rulebook on these grounds shall in these cases be performed solely and exclusively for information purposes and for the purpose of codifying the text of the Rulebook and shall not affect the time of entry into force of such new provisions.

#### 1.2. Rulebook Amendment Committee

1. A Rulebook Amendment Committee shall be setup by decision of ATHEXClear.
2. The committee shall comprise of the following persons: a) one (1) Member is chosen among the persons in charge of ATHEXClear's organizational units, b) one (1) Member is chosen per Market Operator from among the Members of its Board of Directors, c) one (1) Member is chosen among the Members of the ATHEXClear Board, d) two (2) Members are proposed by the Association of Members of the Athens Exchanges (SMEXA), e) one (1) Member is proposed by the Hellenic Fund & Asset Management Association and f) two (2) Members are proposed by the Hellenic Bank Association.
3. The task of the Committee shall be to discuss and recommend to the Board of ATHEXClear amendments to the text of this Rulebook. The Board of ATHEXClear

reserves the right to decide on the amendments or their text at its discretion without being bound by the terms of the recommendation of the Commission, or even without a relevant recommendation.

4. The decision of ATHEXCLEAR under paragraph 1 shall also establish the term in office of the Committee, and any other matter relating to its operation.

### **1.3. Risk Committee**

1. ATHEXCLEAR shall setup A Risk Committee composed of representatives of the Clearing Members, independent members of its Board of Directors and representatives of Clients, where applicable, based on the responsibilities and operating conditions provided for in Article 28 of Regulation (EU) No 648/2012.
2. All markets for which ATHEXCLEAR performs clearing activities may have this Risk Committee.
3. ATHEXCLEAR shall specify each matter relating to the operation of the Risk Committee.

## **PART 2. Final provisions**

### **2.1. Entry into force, repealed and transitional provisions**

1. This Rulebook shall enter into force as of 16 February 2015, unless otherwise specified in the approving decision of the Hellenic Capital Market Commission.

## SECTION VIII. Annex

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This Annex, forming an integral part of the Rulebook, shall lay down general and only terms regarding the operation of derivative contracts and securities lending products under the terms of Article 2.1 of PART 2 of SECTION I and provides the following:

### 1. General provision

Depending on the particular characteristics of derivatives and securities lending products that are traded on the Markets of the Market Operator, the following rights and obligations shall be generated for trading parties.

### 2. Future contracts

1. The calculation of the rights and obligations on Futures shall be performed in accordance with the following principles:
  - a) as for the day of completion of the transaction, the seller shall owe to the buyer the amount by which the price of completing the transaction is less than the settlement price of the same derivative, and the buyer shall owe to the seller the amount by which the settlement price of the derivative is less than the price of completing the transaction;
  - b) As for any other day until (without including) the maturity day of the derivative, the seller shall owe to the buyer the amount by which the derivative settlement price of the previous meeting is less than the settlement price of the same derivative, and the buyer shall owe to the seller the amount by which the settlement price of the derivative is less than the derivative settlement price of the previous meeting; and
  - c) upon the maturity of the derivative, the seller shall owe to the buyer the amount by which the settlement price of the previous meeting of the derivative is less than the final settlement price of the derivative, as determined on such date by ATHEXClear by a procedure it chooses per product, based on the current price of the underlying security (final price) and the buyer shall owe to the seller the amount by which the final price of the underlying security of the derivative is less than the derivative settlement price of the previous meeting;
  - d) The settlement price shall be determined each time by ATHEX based on a method of its choice and the specific characteristics of the derivative product;
  - e) if at the maturity of a future provision is made for the delivery of the underlying security, the relevant provisions of this Rulebook on delivery shall apply.

### 3. Options

1. The calculation of the rights and obligations on Options shall be performed in accordance with the following principles:

- a) a) The option buyer shall owe to the seller the option price.
  - b) b) The buyer of the option shall be entitled to exercise that option within a certain time or only on maturity, depending on whether it is an option of U.S. or European type, respectively. The exercise of the option of a derivative beneficiary shall generate for ATHEXClear the respective obligations and rights.
- 2. If according to their particular characteristics, options are cleared in cash, the calculation of the rights and obligations arising on maturity or the exercise of options on derivatives shall be performed as follows:
  - a) the seller of a call shall owe the buyer of the same call an amount equal to any positive difference between the settlement price of the underlying security, as determined each time by ATHEX using a method of its choice, and the exercise price of the option;
  - b) the seller of a put shall owe to the buyer of the same put an amount equal to any positive difference between the exercise price of the option and the last settlement price of the underlying security, as determined each time by ATHEX using a method of its choice.
- 3. If according to the specific characteristics of the options there is obligation to deliver the underlying securities on maturity or exercise, options shall be cleared as follows:
  - a) the seller of a call must sell the underlying securities to the buyer of the same call at a price equal to the exercise price of the option;
  - b) the seller of a put must buy the underlying securities from the buyer of the put at a price equal to the exercise price of the option.

#### **4. Contracts on securities lending products**

- 1. Contracts on securities lending products shall be determined based on their characteristics in the ATHEX Rulebook and the relevant decisions of ATHEX.
- 2. ATHEXClear may at any time exercise the rights to return securities against counterparties to the contracts referred to in paragraph 1, as these arise from the open positions on them.
- 3. Any matter relating to the terms and time limits for exercising rights arising out of derivatives or securities lending products, as well as any other procedural detail concerning the clearing of the relevant rights, taking into account the specific characteristics of their operation, shall be specified by ATHEXClear in its decisions.

## SECTION IX. Annex II<sup>30</sup>

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### 1. 1<sup>st</sup> Amendment

1. The 1<sup>st</sup> amendment of the Rulebook, as adopted at the meeting of 27.11.2017 of the Board of Directors of ATHEXClear, shall come into effect as of 3.1.2018, subject to the approval of the aforesaid amendment by the Hellenic Capital Market Commission.

2. Clients Clearing Accounts existing at the time of entry into force pursuant to par. 1 shall be treated as Direct Clients Clearing Accounts with netting as defined in paragraph 4.1.1 (4), Section II of this Rulebook, as amended, unless the Clearing Member that manages the relevant Clients Clearing Account declares otherwise in accordance with the procedures of ATHEXClear.

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<sup>30</sup> Section IX with the heading "Annex II" was added after Section VIII of the Rulebook, as above, by virtue of decision 153/27.11.2017 of the Board of Directors of ATHEXClear.