Regulation Liquidity Measures

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1. Introduction

This Regulation Liquidity Measures is a Regulation as defined in the Clearing Rule Book.

This Regulation comes into force on 1 May 2026 and replaces any prior version of Regulation Liquidity Measures.

2. Definitions

Capitalised terms used in this Regulation, and not otherwise defined herein, shall have the meaning ascribed thereto in the Clearing Rule Book.

In this Regulation, the following capitalised terms shall have the following meaning:

"Cover-2 Liquidity Risk" means the amount of liquidity risk arising from the two largest Clearing Members. The liquidity risk of the two largest Clearing Members is calculated as the aggregate of their long settlement obligations in Securities Clearing.

"Designation Date" means the Clearing Day on which a Clearing Member is designated as a Qualifying Clearing Member in accordance with this Regulation.

"Individual Settlement Exposure" means the total value of all long settlement obligations in Securities (i.e. buy legs)on a Clearing Day.

"Liquidity Risk Threshold" means a predetermined percentage of the total liquid resources available to Cboe Clear.

"OTC Trade" means a Trade not concluded on a regulated market, multilateral trading facility or other trading venue within the meaning of the MiFID.

"Qualifying Clearing Member" has the meaning ascribed thereto in article 4, but excludes, for the avoidance of doubt, a Co-operating CCP.

"Reference Period" means an uninterrupted period of three months immediately prior to the Designation Date.

"Residual Liquidity Risk" has the meaning ascribed thereto in article 3.3.

"Settlement Exposure Add-on" means, in relation to a Qualifying Clearing Member, an amount as determined pursuant to article 3.3.

"Settlement Exposure Add-on Cap" means, the maximum possible total Settlement Exposure Add-on across all Qualifying Clearing Members as set by Cboe Clear from time to time.

"Settlement Exposure Add-on Percentage" means the percentage which will be allocated to each Qualifying Clearing Member as its individual requirement in the total Settlement Exposure Add-on. This percentage is calculated for each Qualifying Clearing Member as the total Individual Settlement Exposure per Clearing Day over the Reference Period divided by the total Individual Settlement Exposure of all Qualifying Clearing Members per Clearing Day over the Reference Period.

"Settlement Prefunding Requirement" means, in relation to a Clearing Member, an amount as determined pursuant to article 3.2.

"Settlement Prefunding Requirement Percentage" means the percentage which will be allocated to each of the two Clearing Members as their individual requirement in the total

Settlement Prefunding Requirement. This percentage is calculated for each of the two Clearing Members as the Individual Settlement Exposure for that Clearing Member for that Clearing Day divided by the total Individual Settlement Exposure of both Clearing Members for that Clearing Day.

References to articles are to articles in this Regulation unless indicated otherwise.

3. Settlement Exposure Add-on and Settlement Prefunding Requirement

3.1 Overview

A Settlement Exposure Add-on and a Settlement Prefunding Requirement will be called as part of and within the timelines as set out under article 3.4 of this Regulation. The call must be met in EUR cash or if Cboe Clear directs otherwise, in such currency or Financial Instruments as specified in the Regulation Acceptable Collateral.

The amount for which a Settlement Exposure Add-on call and the Settlement Prefunding Requirement call can be issued is determined pursuant to article 3.2 and 3.3 of this Regulation.

The cash or Financial Instruments to cover the Settlement Exposure Add-on and the Settlement Prefunding Requirement will be collected from and returned to the Clearing Member following the process as set out in article 3.4 of this Regulation.

Cboe Clear shall provide the relevant Clearing Member on each Clearing Day, both intraday and end-of-day, its Settlement Exposure Add-on and the Settlement Prefunding Requirement for that day by electronic means.

Pursuant to Regulation Posting, Cboe Clear may reject a Trade if the relevant Clearing Member does not meet the Settlement Prefunding Requirement.

The Settlement Exposure Add-on and the Settlement Prefunding Requirement are not used to size the financial resources of Cboe Clear as required under article 42 and/or article 43 of EMIR. The Settlement Exposure Add-on and Settlement Prefunding Requirement do not form part of the default waterfall, but in the event of a default of a Clearing Member could be set off against the amount(s) owed by a defaulting Clearing Member to Cboe Clear. For this purpose, any amounts paid for the purposes of a Settlement Exposure Add-on and/or a Settlement Prefunding Requirement will be considered to be included in the definition of “Collateral”.

3.2 Determination of Settlement Prefunding Requirement

Cboe Clear shall for each non-defaulting Clearing Member determine the Settlement Prefunding Requirement as per the below.

1) Cboe Clear will calculate the Cover-2 Liquidity Risk on an intraday basis and compare it with the Liquidity Risk Threshold. If the Cover-2 Liquidity

Risk is larger than the Liquidity Risk Threshold, Cboe Clear will call for a Settlement Prefunding Requirement of the relevant (i.e. buying) Clearing Member(s) that shall be the higher of:

   i. the positive difference between the Cover-2 Liquidity Risk and the Liquidity Risk Threshold; and
   ii. EUR 1 million (or its equivalent in any other currency).

2) The Settlement Prefunding Requirement will be allocated to the two Clearing Members that cause the Cover-2 Liquidity Risk by multiplying the Settlement Prefunding Requirement with the relevant Settlement Prefunding Requirement Percentage.

3.3 Determination of Settlement Exposure Add-on

Cboe Clear shall for each non-defaulting Qualifying Clearing Member determine the Settlement Exposure Add-on as per the below.

1) Cboe Clear will calculate the amount of residual liquidity risk stemming from its liquidity risk stress test (the Residual Liquidity Risk) on an intraday basis and end-of-day basis, and compare it with the Liquidity Risk Threshold. If the Residual Liquidity Risk is larger than the Liquidity Risk Threshold, Cboe Clear will call for a Settlement Exposure Add-on of the Qualifying Clearing Members that shall be the higher of:
   i. the positive difference between the Residual Liquidity Risk and the Liquidity Risk Threshold; and
   ii. EUR 1 million (or its equivalent in any other currency).
2) The amount payable by each individual Qualifying Clearing Member is determined by multiplying the Settlement Exposure Add-on Percentage of that Qualifying Clearing Member with the required Settlement Exposure Add-on.
3) The Settlement Exposure Add-on is determined separately from the Settlement Prefunding Requirement and is determined on an intraday as well as end-of-day basis.
4) The Settlement Exposure Add-on will be subject to the Settlement Exposure Add-on Cap. The Settlement Exposure Add-on Cap will be set to the largest Settlement Exposure Add-on plus remaining liquidity shortfall observed on a Clearing Day over the last twelve months. Qualifying Clearing Members will be informed of a change to and the new level of the Settlement Exposure Add-on Cap.
5) The calculation of the Settlement Exposure Add-on Percentage is performed on a monthly basis by Cboe Clear at the first Clearing Day of the month taking the last Clearing Day of the previous month as reference. The Settlement Exposure Add-on Percentage will be effective as of the calculation date.

3.4 Deposits and withdrawals

Cboe Clear informs the Clearing Member via e-mail of the call (request to deposit).

The amounts received as a Settlement Prefunding Requirement and Settlement Exposure Add-on will be held in a dedicated account as determined by Cboe Clear.

The Clearing Member shall transfer the required collateral in cash or Financial Instruments to Cboe Clear within one (1) hour after receipt of the call to an account as set out in the Standard Collateral Settlement Instructions as specified by Cboe Clear.

Not meeting the Settlement Prefunding Requirement within the timelines as stipulated above will lead to the rejection of any new OTC Trade pursuant to the Regulation Trade Refusal which would otherwise result in increased liquidity risk. The rejection of any new OTC Trade will remain in place for the remainder of the Clearing Day.

Not meeting the Settlement Exposure Add-on will be a Breach as per the Clearing Rule Book and Cboe Clear may take action in accordance with article 13 of chapter 1 of the Clearing Rule Book.

Where Settlement Exposure Add-on or Settlement Prefunding Requirement calls are made and met in USD, Cboe Clear reserves the right to issue a call in EUR in an amount sufficient to substitute USD amounts the next Clearing Day when such substitution can be made. Cboe Clear shall return the relevant USD amounts once the Clearing Member has met the subsequent call in EUR.

Withdrawal requests that are submitted to Cboe Clear on any Clearing Day before 11.00 CET, for both cash and Financial Instruments, will be handled the same day on a best efforts basis and will be subject to applicable collateral agent / custodial deadlines. Withdrawal requests will be handled no later than the next Clearing Day following the Clearing Day on which the request was received.

4. Designation of Qualifying Clearing Members

A Clearing Member is designated as a Qualifying Clearing Member if it fulfils the following conditions on a Designation Date:

1) it has been a Clearing Member of Cboe Clear for a period of at least one calendar month prior to the Designation Date; and
2) it is not an inactive Clearing Member pursuant to article 20.1 of chapter 1 of the Clearing Rule Book and it has not been declared in Breach pursuant to article 13.1 of chapter 1 of the Clearing Rule Book or declared in default pursuant to article 14.1 of chapter 1 of the Clearing Rule Book; and
3) its Individual Settlement Exposure is higher than EUR 1 billion equivalent on at least one Clearing Day in the Reference Period,

   provided that if, due to the failure of Clearing Members to satisfy 3) above, the number of the Qualifying Clearing Members is less than five (5) on a Designation Date, Cboe Clear will designate further Clearing Members (that will then be Qualifying Clearing Members) to ensure that the number of Qualifying Clearing Members is equal to five (5) by including

Clearing Members with the next largest Individual Settlement Exposure over the Reference Period.

A Designation Date shall be every first Clearing Day of each month, or a date as determined by Cboe Clear. The designation as Qualifying Clearing Member will be effective as of the first Clearing Day immediately following the Designation Date.

5. Recovery Liquidity Cash Call

Upon activation of the Recovery Plan, Cboe Clear may issue Recovery Liquidity Cash Calls to non-defaulting Clearing Members to enable the physical settlement of Open Positions.

The amount for which a Recovery Liquidity Cash Call can be issued is limited to the value of the Securities (i.e. buy legs) that a Clearing Member is selling to Cboe Clear.

Cboe Clear shall take delivery of the Securities from non-defaulting Clearing Members against payment of the proceeds of the Recovery Liquidity Cash Calls and subsequently sell the Securities as soon as reasonably possible. The proceeds of the sold Securities shall be distributed to non-defaulting Clearing Members on a pro rata basis in proportion to the contributions made by non-defaulting Clearing Members, up to the amount received under the relevant Recovery Liquidity Cash Call.

Cboe Clear shall apply the financial resources set out in article 14.10 of chapter 1 of the Clearing Rule Book to reimburse non-defaulting Clearing Members that have not been reimbursed in full by the proceeds of the Securities sold. Such reimbursement shall take place on a pro rata basis in proportion to the contributions made by non-defaulting Clearing Members, up to the amount received under the Recovery Liquidity Cash Call.