



COMMERZBANK

Onboarding Prozess Beschreibung

1. Our clearing service for your derivatives business

Do you conduct derivatives transactions with different banks? Then you may be faced with the question of whether you want or even must have your transactions cleared centrally.

If a company conducts (standardized) derivative transactions on a larger scale, these cannot be settled solely between the contracting parties, but must be cleared via a clearing house - a so-called "central counterparty" or "CCP") will. Articles 4 and 10 of the European Market Infrastructure Regulation EMIR form the legal basis for this. But even if there is no legal clearing obligation, many market participants decide to have their trades cleared centrally. This simplifies the risk management of derivative positions and reduces costs.

Further information on clearing can be found on our website.

If you do not have access to a clearing house yourself, you can commission a financial institution (= clearing member) registered with the CCP to clear your transactions for you. Commerzbank offers such a clearing service.

Below we describe the individual steps to obtain indirect clearing access.

2. Step by step to clearing access

a. Contact – request for quotation

Are you interested in our service? Just contact us (see contact details under 3.).

You are also welcomed to use the Request for Proposal document. From this you can see what information we need from you.

b. Check by Commerzbank - offer

Based on the information you provide and the documents you submit, we will check whether and in what form we can offer you our clearing service. This test includes the following points in particular:

- i. Customer status/legitimacy check – if there is no business relationship with Commerzbank, a customer relationship will be set up separately; in this context, supervisory and anti-money laundering checks must also be carried out,
- ii. credit check,
- iii. Checking whether and to what extent - with regards to the use of credit lines - netting of derivative positions is possible - this depends on whether netting reports are available for the relevant jurisdiction (location of the company's registered office or, if applicable, the branch), as
- iv. Calculation of the collateral required for each clearing house.



Assuming the result of the check is positive, we will then send you a formal offer with all the necessary information and documents for starting the clearing service (contract documents, fee schedule, onboarding manual).

If, contrary to expectations, we decide not to submit an offer, we will inform you immediately by e-mail and give you the reasons.

c. onboarding process

If you choose our offer, the next step is to create the contractual and operational requirements:

- i. Conclusion of the necessary contractual framework agreements - our legal department will contact you about this.
- ii. Carrying out a so-called kick-off workshop. There, a fine tuning of all functional / technical questions about the clearing connection takes place.
- iii. Setting up the technical infrastructure for communication and transaction processing (connection to Marketwire, access to the CCP portal).
- iv. Clarification of all remaining technical and operational questions.
- v. Test phase
In a test phase, it is checked whether all the conditions for the safe implementation of the clearing transactions are given.
- vi. Start of clearing via Commerzbank / Go live
- vii. Now we can start!

3. Contact Commerzbank

- a. via Commerzbank Relationship Manager or Sales Contact
- b. via Email to OTCClientClearing2@commerzbank.com