

# Terms and Conditions

## Direct and Indirect Clearing Arrangements, UBS Europe SE

These terms and conditions apply to direct and indirect clearing services which either UBS AG or the Investment Banking division of UBS Europe SE ("**UBS**", "**we**" or "**us**") may offer to you for your house or proprietary business. If you are also acting as an intermediary with clients of your own, please also refer to our **Terms and Conditions relating to Indirect Clearing Arrangements for Intermediaries** available on our website [ubs.com/etd](https://ubs.com/etd).

In accordance with the provisions of the Commission Delegated Regulation (EU) No 2017/2154 on Indirect Clearing Arrangements under MiFIR<sup>1</sup> and art. 27.1 of Commission Delegated Regulation (EU) 2017/589, we are required to disclose:

- (1) conditions under which we offer **direct clearing services** and
- (2) general terms and conditions pursuant to which we provide our clients **indirect clearing services** with respect to exchange-traded derivatives contracts that are cleared by a central counterparty authorized in the European Union ("**EU CCP**").

Such terms and conditions are set out in detail in the agreement, including all schedules and appendices thereto, that we enter into with you (the "**Agreement**").

The term "**direct clearing services**" refers to the circumstances where we are a general clearing member of a CCP and clear your derivative transactions.

The term "**indirect clearing services**" refers to the circumstances where we access an EU CCP directly or indirectly through a clearing member of that EU CCP, in which case the following additional terms and conditions will apply:

- we will provide you with sufficient information to allow you to identify the CCP; UBS AG London Branch will be used as clearing member used to clear those positions.
- your positions and collateral (to the extent applicable) will be held by us in a basic omnibus account unless you request for us to hold them on a gross omnibus account and we access an EU CCP directly through a clearing member of that EU CCP.

A general description of the principal terms and conditions governing our relationship with our clients is set out below. The actual provisions of the Agreement are more detailed. Moreover, please note that the specific terms and conditions of the Agreement that we enter into with any client may differ depending on our analysis of the risks that such client's trading activities may present.

When providing clearing services to you, we may generally require that you:

- provide us with such information that we may request in order to verify your identity as required by law.
- confirm to our satisfaction that you have full capacity, power and authority to enter into the Agreement and to enter into the transactions contemplated thereby for your account or on your behalf.
- confirm that orders are placed on your own initiative which are based upon your assessment of market conditions and developments and that you are fully aware of the risks accompanying ETD Transactions.
- acknowledge that all ETD Transactions effected for your account or on your behalf are subject to applicable law.
- agree that we may, in our sole discretion, refuse to accept any order or transaction and that we are under no obligation to carry out any transaction under the Agreement.
- agree to provide initial margin and meet all margin calls for additional margin in such form and amounts and within such time as we may determine, consistent with the applicable law to the Agreement as well as agree to the consequences should you fail to respond to margin calls.
- grant us a right of pledge by way of security on all cash, securities and other property ("client assets") that you deposit with us to secure all ETD Transactions that we clear for your account or on your behalf.
- grant us a right to set-off any amount owed by you to us against any amount owed by us to you in the course of the ETD business relationship, irrespective of maturity or currency.
- acknowledge that, upon an event of default, as that term is defined in the Agreement, we will have certain rights as set out in the Agreement, including the right, in addition to any remedy otherwise available in law or equity, to liquidate any or all exchange-traded derivatives contracts held in your name or on your behalf by any lawful means and to realize any client assets that we may hold to meet any amounts you owe us.

<sup>1</sup> Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

- acknowledge that – as far as such exclusion of liability is permitted by law – we will not be liable to you for any losses, damages, costs or expenses that may be incurred and that in no event will we be liable for any consequential, indirect or punitive damages. ETD Transactions are carried out exclusively at your own risk.
  - acknowledge that where we effect orders through intermediary brokers or agents (incl. any affiliate), we may not be held responsible for acts, omissions, costs, losses or expenses incurred, as far as such exclusion of liability is permitted by law.
  - acknowledge that your assets can be subject to investigations and measures, in foreign countries where we are subject to supervision and jurisdiction by foreign authorities in connections with our business activities in foreign countries.
  - explicitly release us from the compliance with applicable banking/professional secrecy and data protection law to the extent required to fulfill our obligation to disclose your identity and further information to Third Parties (as defined below) and explicitly agree and consent to such disclosure.
  - agree to the disclosure of information, including but not limited to your identity and details of the transaction vis-à-vis exchanges, competent supervisory authority, self-regulatory organization or other third parties ("Third Parties") if necessary offhand and in the event you do not comply with the disclosure requirement of a Third Party you agree to the disclosure of your information by us to such a Third Party or acknowledge further consequences, such as closing out positions, denying the execution or rescinding the business relationship.
  - agree that the Agreement will be interpreted in accordance with and governed by the laws of the location where UBS maintains the banking relationship with you and the courts of that same location have sole jurisdiction for any dispute arising therefrom.
- When providing indirect clearing services to your clients you must comply with the requirements for the provision of indirect clearing services by indirect clients according to the RTS (if applicable). In such case the following additional terms apply:
- in an event of your default, the termination of the Agreement will produce one liquidation amount for your house transactions and another liquidation amount for your client transactions that are in each case cleared through an EU CCP.
  - we may set-off a positive liquidation amount of your house transactions against a negative liquidation amount of your client transactions but not the other way around.
  - you must publicly disclose your general terms and conditions under which you provide indirect clearing services.
  - you must comply with EU indirect clearing rules that apply to you as an intermediary and if these rules do not directly apply to you, you must contractually undertake to comply with them.

**UBS Europe SE**

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