

2022-N-036
28 April 2022

Amendment to Terms and Conditions governing use of Euroclear

Target audience

- Network Managers
- Compliance Officers
- Legal department

Effective date

13 May 2022

Highlights

We are amending the *Terms and Conditions governing use of Euroclear* as follows:

- amendment of two existing risk transfer clauses (16 (j) (i) and 16 (k) (i))
- addition of two new sub-clauses 16 (j) (ii) and 16 (k) (ii)
- the term **Sanctioned Country** added to the list of defined terms

Actions

Please take into account these amendments to the *Terms and Conditions governing use of Euroclear*.

In accordance with section 16 (j) of our [Terms and Conditions governing use of Euroclear](#), we may manage re-deposit risk by transferring Excess Cash deposits to the central bank of the respective country. To date, we have applied this **Excess Cash** clause for the Argentine peso (ARS), Turkish lira (TRY) and as of February 2022, the Russian ruble (RUB).

If we are:

- unable to access our account with the central bank due to the deterioration of an ongoing crisis and the intervention of local authorities
- forced to hold such Excess Cash with our Cash Correspondent(s) for a specific currency

we will implement additional risk transfer measures to protect Euroclear Bank in the event of a Cash Correspondent default.

The only currency in scope for this additional risk transfer measure is RUB, as indicated in the [Russia – Market Basics](#) webpage on our website.



Amendments

The amendments to *Terms and Conditions governing use of Euroclear* listed below will become effective on **Friday, 13 May 2022**.

Amendment of two existing risk transfer clauses 16 (j) (i) and 16 (k) (i) and new sub-clauses 16 (j) (ii) and 16 (k) (ii)

16 (j) (i) Excess Cash – We have opened an account with national central banks for several currencies (see the list in our ‘Market Basics’ available on our website). We will be discharged from our obligation to return to you any excess cash in such currencies, i.e. any amount corresponding to the funds you hold with us in that Settlement Currency (or for which you funded your Cash Account(s)) which is exceeding the capped amount specified in the ‘Market Basics’ available on our website (“Excess Cash”) if the relevant national central bank is unable to return funds we hold with it ~~for whatever reason, including but not limited to in case of~~ Insolvency Proceedings, legislative action, Sanctions or order of any government or governmental body or international regulatory authority (including any court or tribunal).

If and to the extent we are discharged from our obligation to return such Excess Cash to you in accordance with this Section 16(j), we have the right and are authorised by you to debit your relevant Cash Account(s) with an amount of cash in the relevant Settlement Currency corresponding to the amount of the discharge.

If and to the extent permitted by applicable law and the contractual documentation in force between us and the relevant national central bank, and upon your request, we will assign to you the portion of the claim we have against the national central bank corresponding to the amount of the discharge. You shall take any action required to make such assignment effective (and shall bear any cost related thereto). We are not liable in case you do not recover any amount from the national central bank, or its estate following such assignment.”

(ii) Excess Cash in countries (explicitly listed on our website) where Euroclear Bank can no longer access its central bank account due to intervention of authorities preventing the normal functioning of the market.

For currencies where we had opened an account with the relevant national central bank but for which we can no longer access such national central bank (see the “Market Basics” page of the impacted country) as such access is prohibited, denied or suspended due to:

- Insolvency Proceedings,*
- legislative action,*
- Sanctions or*
- order of any government or governmental body or international regulatory authority (including any court or tribunal)*

we will be discharged from our obligation to return to you any excess cash in such currencies, i.e. any amount corresponding to the funds you hold with us in that currency (or for which you funded your Cash Account(s)) which is exceeding the capped amount specified in the ‘Market Basics’ page of the impacted country (“Excess Cash in countries where our central bank account is no longer accessible”).

The circumstances in which we can no longer access our central bank account and are thus discharged from our obligation to return such Excess Cash are in case the relevant Cash Correspondent(s) used to hold the cash balances in such currencies ultimately credited to your Cash Account(s) is (are) unable to return funds we hold with it/them in case of:

- *Insolvency Proceedings,*
- *legislative action,*
- *Sanctions or*
- *order of any government or governmental body or international regulatory authority (including any court or tribunal).*

If and to the extent we are discharged from our obligation to return to you such Excess Cash in countries where our central bank account is no longer accessible in accordance with this Section 16(j)(ii), we have the right and are authorised by you to debit your relevant Cash Account(s) with an amount of cash in the relevant currency corresponding to the amount of the discharge.

If and to the extent permitted by applicable law and the contractual documentation in force between us and the relevant Cash Correspondent(s), and upon your request, we will assign to you the portion of the claim we have against the relevant Cash Correspondent(s) corresponding to the amount of the discharge. You shall take any action required to make such assignment effective (and shall bear any cost related thereto). We are not liable in case you do not recover any amount from the relevant Cash Correspondent(s), or its estate following such assignment.

16 (k)(i) Sanctioned Cash – In case of Insolvency Proceedings affecting a Cash Correspondent which has blocked in its own books cash ultimately credited to your Cash Account(s), as a consequence of you (or one of your direct or indirect client or an ultimate beneficial owner) or any of your asset held with us being subject to Sanctions ('Sanctioned Cash'), we will be discharged from our obligation to return to you such Sanctioned Cash.

If and to the extent we are discharged from our obligation to return such Sanctioned Cash to you in accordance with this Section 16(k), we have the right and are authorised by you to debit your relevant Cash Account(s) with an amount of cash in the relevant Settlement Currency corresponding to the amount of the discharge.

If and to the extent permitted by applicable law and the contractual documentation in force between us and the relevant Cash Correspondent, and upon your request, we will assign to you the portion of the claim we have against the Cash Correspondent corresponding to the amount of the discharge. You shall take any action required to make such assignment effective (and shall bear any cost related thereto). We are not liable in case you do not recover any amount from the Cash Correspondent or its estate following such assignment.”

(ii) Sanctioned Cash in Sanctioned Countries

In case of Insolvency Proceedings affecting a Cash Correspondent of a Sanctioned Country (see the list of Cash Correspondents of a Sanctioned Country in the 'Market Basics' page of the impacted country) which has credited on its own books cash ultimately credited to your Cash Account(s), which was blocked on our books as a consequence of Sanctions applicable to (i) you (or one of your direct or indirect client or an ultimate beneficial owner) or (ii) any of your assets held with us ('Sanctioned Cash in a Sanctioned Country'), we will be discharged from our obligation to return to you such Sanctioned Cash in a Sanctioned Country.

If and to the extent we are discharged from our obligation to return such Sanctioned Cash in a Sanctioned Country to you in accordance with this Section 16(k)(ii), we have the right and are authorised by you to debit your relevant Cash Account(s) with an amount of cash in the relevant currency corresponding to the amount of the discharge.



If and to the extent permitted by applicable law and the contractual documentation in force between us and the relevant Cash Correspondent in a Sanctioned Country, and upon your request, we will assign to you the portion of the claim we have against the Cash Correspondent in a Sanctioned Country corresponding to the amount of the discharge. You shall take any action required to make such assignment effective (and shall bear any cost related thereto). We are not liable in case you do not recover any amount from the Cash Correspondent in a Sanctioned Country or its estate following such assignment.”

New definition in the list of defined terms of the Terms and Conditions

Sanctioned Country - a country listed as a **Sanctioned Country** in the **Market Basics** webpage of the relevant market on my.euroclear.com.

Implementation of risk transfer measures for RUB

Through the above amendments to our *Terms and Conditions governing use of Euroclear*, we reserve the right to transfer a portion of our re-deposit risk on long cash balances to our clients holding:

- **excess cash balances denominated in RUB**, if we would no longer have access to our account with the Central Bank of the Russian Federation
- **long cash balances denominated in RUB** which are blocked in our books due to ongoing Sanctions

Risk transfer measure	Defined in	Applicable to	Capped amount
Excess Cash in countries where Euroclear Bank can no longer access its central bank account due to the intervention of authorities preventing the normal functioning of the market	Section 16(j)(ii) of our <i>Terms and Conditions governing use of Euroclear</i>	(Non-sanctioned) cash balances denominated in RUB held through our RUB Cash Correspondents, namely ING Bank (Eurasia) JSC and the National Settlement Depository (NSD)	Either 5% of your total (non-sanctioned) cash balance denominated in RUB or up to a maximum of EUR 5 million equivalent, whichever is lowest
Sanctioned Cash in Sanctioned Countries	Section 16(k)(ii) of our <i>Terms and Conditions governing use of Euroclear</i>	Sanctioned Cash denominated in RUB and held through our RUB Cash Correspondents, namely ING Bank (Eurasia) JSC, the Central Bank of the Russian Federation and the National Settlement Depository (NSD)	N/A

We will implement the above risk transfer measures for RUB as from **Friday, 13 May 2022**.

Latest status on our link for Russia

For the most up-to-date date information on our link with Russia, please visit our [Current status of our link with Russia](#) webpage.

Who to contact?

Contact	Contact details
Account Management	<ul style="list-style-type: none">• Taskize: in the Add parties section > Organisation: select: Euroclear Bank > Function: select Account Management• +32 2 326 2812