clear to trade

eurex clearing *circular 231/08*

Date: Frankfurt, September 25, 2008
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
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CCP: Deadlines

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Content may be most important for:

- Middle + Backoffice
- IT/System Administration
- Auditing/Security Coordination

Attachments:
none

Summary:

Eurex Clearing AG uses Clearstream Banking AG, Frankfurt (CBF), the German Central Securities Depository, as settlement agent for the settlement of cash market transaction of Frankfurt Stock Exchange as well as physical deliveries resulting from the execution of derivative contracts. Therefore, Eurex Clearing AG has adapted its processes according to CBF's deadlines and reporting schedules. Eurex Clearing AG sends delivery instructions on behalf of its Clearing Members to CBF and receives in return settlement feedback that is incorporated in the settlement reports of Eurex Clearing AG. With the distribution of settlement reports containing settled transactions the change of ownership rights and thus the orderly fulfillment of the respective exchange transaction is documented.

In order to give transparency concerning settlement and reporting timelines to the market, Eurex Clearing AG jointly with the Equity Clearing Committee determined deadlines for the distribution of CCP settlement reports and latest receipt of member settlement instruction file (MSIF) in order to start the next CCP settlement run. In case these deadlines need to be postponed, escalation procedures will be in place.

The purpose of this circular is to set out the deadlines as well as the decision/escalation procedures, differentiated between internally or externally caused delays.

Please also refer to CBF circular no. D063, dated September 25, 2008.

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CCP: Deadlines

The Eurex Clearing AG deadlines for distribution of CCP settlement reports and the start of the CCP settlement runs via CBF as its settlement agent are defined as follows (all times are CET):

Settlement Run	Distribution of Settlement Reports	MSIF Deadline for next CCP settlement run*
SDS 1	11:30 (usually between approx. 10:40 and 11:05)	SDS2: 12:30
SDS2	14:30 (usually between approx. 13:45 and 14:15)	STD: 17:45
STD	24.00 (usually between approx. 21:55 and 23:45)	SDS1: 9:05

* the VALUES deadline is five minutes later

The distribution of reports refers to MISS reports and not to SNA report distribution. The distribution deadlines define the time, when the reports are sent from the Deutsche Börse Group communication server on behalf of Eurex Clearing AG to the client MISS.

In case these deadlines need to be postponed, Members are informed in due time and an escalation procedure is immediately initiated. This escalation procedure differentiates between internally or externally caused delays:

- Internally: Due to delays within the processing of Eurex Clearing AG or one of its service providers belonging to Deutsche Börse Group, reports can be distributed late.
- Externally: Due to significant Member-internal issues there can be a requirement to postpone start of CCP settlement run. This might lead to a late distribution of reports by Eurex Clearing AG. In this case the late distribution is caused externally.

In case of an internally caused delay the next settlement run of Eurex Clearing AG is postponed according to following rules:

- After information about the delay, at least one Member has to request a postponement without undue delay.
- The member request needs to be addressed to the CCP Functional Helpdesk of Eurex Clearing AG.
- CCP Functional Helpdesk may decide on a postponement of 15 minutes in its own discretion and will inform the market accordingly via usual communication channels in due time; furthermore, CCP Functional Helpdesk will inform CBF as settlement agent that CBF's processing deadlines might be affected.
- In case of a postponement of more than 15 minutes CBF needs to be involved in the decision process of Eurex Clearing AG as CBF initiates its own escalation procedure in such event.
- A delay that would exceed CBF's capacity to postpone its settlement procedures, e.g. due to external dependencies to the TARGET2 platform and other settlement systems, will not be considered.

In case of an externally caused delay, the next settlement run is postponed according to following rules:

- The member request needs to be addressed to CCP Functional Helpdesk in due time by providing clear reasons which are suitable to justify a postponement.

- CCP Functional Helpdesk may decide on a postponement of 15 minutes in its own discretion and has to inform the market accordingly via usual communication channels in due time; furthermore, CCP Functional Helpdesk will inform CBF that their deadline might be affected.
- In case of a postponement of more than 15 minutes Market Supervision of Eurex Clearing AG needs to involve a board member of Eurex Clearing AG.
- The board member decides in coordination with Market Supervision of Eurex Clearing AG and under consideration of CBF's escalation procedure; in cases where the orderly settlement of exchange transactions is potentially at risk, Market Supervision of the respective exchange has to be informed.
- A delay that exceeds CBF's capacity to postpone its settlement procedures cannot be accepted.
- As the duration to generate reports depends on trade volume the postponement will be decided considering current trade volume in database

An additional rule applies for SDS1:

- In the event that the start of SDS1 needs to be postponed, a maximum of 30 minutes cannot be exceeded as it endangers the deadlines for SDS1 report distribution and therefore the start of the next settlement run.

Should you have any further questions, please feel free to call the CCP Functional Helpdesk on tel. +49-69-211-1 19 40.

Frankfurt, September 25, 2008