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eurex *circular 157/10*

Date: Frankfurt, August 16, 2010

Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors

Authorized by: Jürg Spillmann

High priority

Eurex Release 13.0: Important Information about Simulation Start

Related Eurex Circulars: 053/10, 138/10

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Content may be most important for:	**Attachments:** (on the Eurex website only)
➲ All departments	1. Eurex 13.0 Member Simulation Guide 2. Eurex 13.0 Front-End Installation Guide 3. Eurex 13.0 Front-End Operations Guide 4. Eurex 13.0 Front-End Access to Exchange Applications 5. Eurex 13.0 Network Access to Exchange Application 6. Common Sizing Guidelines (Eurex and Xetra/XIM)

Summary:

The Eurex Release 13.0 simulation phase is scheduled from **September 6, 2010** to **October 28, 2010**. Participation in the Eurex Release 13.0 simulation is strongly recommended.

This circular provides details on the distribution of the Eurex Release 13.0 simulation software kits together with additional information about the simulation itself.

Major new and enhanced features to be introduced with Eurex Release 13.0:

1. **Clearing:**
   Client Asset Protection (CAP), introduction of a Clearing Board
   Enhancements to: Exercise / assignment, Member product assignment, position transfers & close-outs, Flexible Futures and Options and unsuccessfully processed give-ups
2. **Trading:**
   Futures settlement at a price of zero, more digits for price information,
   Enhancements to: Trading performance, risk protection and OTC Multilateral Trade Registration
3. **Eurex' Optional Interfaces:**
   Introduction of the Enhanced Confirmation Solution, synchronization of contract identifiers, automatic notification of session ID to Gateway assignment, IPsec encryption protocol (optional) Enhancements to: Enhanced Transaction Solution and Enhanced Broadcast Solution
4. **Technology:**
   Supported MISS and work station configurations in Eurex 13.0 simulation.

Please note: Some of the new and enhanced features are not backward compatible to Eurex Release 12.0.

A complete overview of the scope of Eurex Release 13.0 has been provided with the Final Functional and Technical Release Notes published in the Member Section of the Eurex website on August 9, 2010.

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Eurex Release 13.0: Important Information about Simulation Start

Distribution of Software Kits for Eurex Release 13.0 Simulation

From close of trading on Friday, August 27, 2010, until Tuesday, August 31, 2010, Eurex will distribute the following software kits via File Transfer Protocol (ftp) to the member simulation environment for the start of Eurex Release 13.0 simulation on Monday, September 6, 2010:

- Eurex Release 13.0 simulation kits for Oracle Solaris (Sparc), Oracle Solaris (x86) and Microsoft Windows

Distribution of the software will take place to the registered report nodes only.

Target directories for data transfers are:

- Oracle Solaris (Sparc): /opt/gate/transferdir/release01/sun
- Oracle Solaris (x86): /opt/gate/transferdir/release01/x86
- Microsoft Windows: <ftp-root directory>\release01\win

Please ensure to have 260 MB of free disk space available on the transfer directory of your report nodes to successfully receive the software.

The simulation kits should be installed according to the instructions contained in the *read-me* file that is transferred to the appropriate transfer directory and the information contained in the Front-End Installation Guide for Eurex Release 13.0.

Please note:
It is imperative that files no longer used are deleted from the transfer directory before the transmission of the software takes place. Please ensure that the report nodes are connected to the Eurex® network as of 21:00 CET on Friday, August 27, 2010.

Please contact your Technical Account Manager, via VIP number or Eurex Customer Technical Support, tel. +49-69-211-1 12 00, if the software kits have not been received by Tuesday, August 31, 2010.

As of Friday August 27, 2010, the software will be made available for download in the Member Section of the Eurex website under the path:

www.eurexchange.com > Member Section > Software Kits > Eurex 13.0 Simulation

Should you encounter any difficulties when logging in to the Eurex Member Section, please contact our Service Point Team at tel. +49-69-211-1 78 88.

For new installations:

Before installing the simulation kit for Eurex Release 13.0, the GATE 3.5 software must be installed on all MISSes and workstations. If required, the GATE 3.5 software kits are available for download on the Eurex website. In order to activate the new settings, please restart the system after the installation of the GATE 3.5 software kits.

Major new and enhanced Features to be introduced with Eurex Release 13.0

An overview of the scope of Eurex Release 13.0 and major new and enhanced features in detail has been provided with the Final Functional Release Notes (FFRN) and Final Technical Release Notes (FTRN) published on the Member Section of the Eurex website on August 9, 2010:

www.eurexchange.com > Member Section > Releases > Eurex 13.0

In the following please find a short overview of the new features. For the enhancements the references to the respective documentation is listed.

1. Clearing

In Eurex Release 13.0 the following new clearing features will be introduced:

1.1 Client Asset Protection (CAP)

The new CAP functionality including the pool ID concept will be technically available with Eurex Release 13.0 and CCP Release 6.0 introduction, which are planned for November 8, 2010. It is envisaged to offer the new CAP service to Clearing Members and their clients in close alignment with the current regulatory developments in the first half of 2011. To provide for sufficient preparation time, testing of the new service will be already possible in the simulation environment starting September 2010.

With the introduction of the CAP solution, Eurex Clearing addresses the requirements of transparent asset segregation and timely portability.

CAP will be offered as an optional service allowing Clearing Members (CM) and their clients to individually negotiate their level of protection. The following segregation solutions will become available:

- **Existing Solution:**
  The existing setup can be kept and CMs would use proprietary collateral to cover client business (Agent Clients and NCMs) and proprietary business.
- **Omnibus Solution:**
  The margin requirement resulting from omnibus segregated client business (Agent Clients and NCMs) is covered by an omnibus collateral pool. The positions and collateral of omnibus segregated clients are separated from the CM's proprietary positions.
- **Non-Clearing Member-Specific Solution:**
  The margin requirement of a specific NCM is covered by a dedicated collateral pool, which only holds the collateral of this specific NCM. Maximum portability can be achieved through individual position and collateral segregation.

As a part of this service, Eurex Members will be provided with:

- Segregation of CM's proprietary, Agent Client and NCM positions
- Possibility for CMs to distinguish between segregated, non-segregated and affiliated Agent positions
- Possibility to hold client collateral with Eurex Clearing
- Segregation of proprietary, omnibus client and NCM specific collateral (securities and cash collateral)
- Protection of segregated client collateral against the default of the CM
- A concept for a timely transfer of client positions and collateral in case of a clearing member default

In order to become familiar with the detailed functions of the Client Asset Protection, please refer to chapter 2.1 in the Eurex 13.0 Final Functional Release Notes and to chapter 2 in the Final Technical Release Notes.

Simulation scope for the Client Asset Protection is described in chapter 2 of the Eurex 13.0 Member Simulation Guide (attachment 1) which is available on the above-mentioned Eurex website.

1.2 Introduction of a Clearing Board

The **Clearing Board** window will be available in the Clearing GUI allowing multiple clearing windows to be opened within a single display similar to the existing **Trading Board** window on the Trading GUI. This feature will allow users to minimize or maximize all the windows contained in the **Clearing Board** at the same time so that it will be easier to locate a certain window if that window is opened within the **Clearing Board**.

1.3 Summary of references to Clearing Enhancements (for existing functionality)

a) Exercise / Assignment	FFRN (chapter 2.2) and	FTRN (chapter 3)
b) Member Product Assignment	FFRN (chapter 2.4)	
c) Position Transfers and Close-outs	FFRN (chapter 2.5) and	FTRN (chapter 4)
d) Flexible Futures and Options	FFRN (chapter 2.6) and	FTRN (chapter 5)
e) Unsuccessfully Processed Give-ups	FFRN (chapter 2.7)	

2. Trading

In Eurex Release 13.0 the following new trading features will be introduced:

2.1 Futures Settlement at a Price of Zero

Some of the recently introduced products such as Hurricane Futures and Single Name Dividend Futures require the ability to be settled at a price of zero (“0”). Once settled at zero, the accrued variation margin paid or received will reflect the total contract value.

2.2 More Digits for Price Information

The number of digits allowed for fields related to contract prices (bid prices, ask prices, trade prices and contract settlement prices, etc.) will be extended from 6 to 9 digits. This modification will have impact on the following areas: Enhanced Transaction Solution, Enhanced Broadcast Solution and reports (for details, please refer to FFRN chapter 3, section 3.4.8, and in FTRN chapter 8.9, each as part of Enhanced Transaction Solution description).

2.3 Summary of references for Trading Enhancements (to existing functionality)

a) Improvement of Trading Performance	FFRN (chapter 3.1) and	FTRN (chapter 6),
b) Risk Protection	FFRN (chapter 3.2) and	FTRN (chapter 7),
c) OTC Multilateral Trade Registration,	FFRN (chapter 3.7) and	FTRN (chapter 11,

3. Eurex’ Optional Interfaces

In Eurex Release 13.0 the following new trading features will be introduced:

3.1 Enhanced Confirmation Solution

The Enhanced Confirmation Solution will be introduced so that Members can receive recoverable order, trade and matching event information without using a MISS (for details, please refer to FFRN chapter 3.6 and FTRN chapter 10).

The new session will use similar technology and concepts to the existing trading sessions of the Enhanced Transaction Solution allowing Members to use their preferred hardware and operating system environment.

Members will be able to subscribe to streams using the new broadcast session in a similar fashion to the MISS. The following broadcast streams will be provided:

- Recoverable Single Leg and Double Leg Order Confirmation
- Recoverable Strategy Order Confirmation
- Recoverable Trade Confirmation
- Recoverable Single Leg and Double Leg Matching Events Confirmation
- Recoverable Strategy Matching Events Confirmation

3.2 Synchronization of Contract Identifiers for Eurex' Optional Interfaces

A common contract identifier will be introduced which will be used by the existing Enhanced Broadcast Solution, Enhanced Transaction Solution and the new Enhanced Confirmation Solution (see section 3). The contract identifier will remain valid for the whole lifetime of a contract. For details, please refer to FFRN chapter 3, section 3.4.1 as part of Enhanced Transaction Solution description.

3.3 Automatic Notification of Session ID to Gateway Assignment

From Eurex Release 13.0 onwards, Members will be provided with their gateway to session assignment automatically in response to the session login. Should a session try to login to an invalid gateway, the Logon Notification will contain the appropriate error message together with the valid gateway to session assignments. The optimum gateway location ID will be provided in the field *GatewayLocId*.

Please note:

- Members will no longer be provided with their gateway/session assignment in written form. Instead, the range of available gateway IP addresses will be published in the "Network Access to Exchange Applications" document.
- From January 1, 2011 onwards, Eurex reserves the right to change session to gateway assignments at any time without further notice to Members (changes will only be done on a day-by-day basis).

3.4. IPsec encryption protocol (optional)

As previously announced in Eurex circular 138/10, the use of the IPsec encryption protocol for all Enhanced Transaction Solution and Enhanced Confirmation Solution leased line network connections will be made optional from August 16, 2010 onwards. In order to assist Members with the reconfiguration of their network routers, the procedure for disabling IPsec encryption has been added to Chapter 10 of the document "Eurex 13.0 Network Access to Exchange Applications" which will be published on August 16, 2010 in the Eurex Member Section under the following path:

www.eurexchange.com > Member Section > Releases > Eurex 13.0 > Manuals > Technical Manuals

3.5 Summary of references for Eurex' Optional Interfaces Enhancements (to existing features)

a) Enhanced Transaction Solution	FFRN chapter 3.4 and FTRN, chapter 8)
b) Enhanced Broadcast Solution	FFRN chapter 3.5 and FTRN, chapter 9)

4. Technology

4.1. Operating System Platforms Supported

The operating system versions supported for Eurex Release 13.0 simulation are:

On the MISS:

- MS Windows 2003 Server (Service Pack 2 or higher)
- Oracle Solaris 10
  - HW 06/06 (Update 2) or higher for Sparc
  - HW 10/08 (Update 6) or higher for x86.

On the workstation:

- MS Windows XP Professional (Service Pack 3 or higher)
- Oracle Solaris 10
  - HW 06/06 (Update 2) or higher for Sparc
  - HW 10/08 (Update 6) or higher for x86.

At this point, the following MISS / workstation combinations will be supported:

MISS	Workstation
Oracle Solaris x86	Oracle Solaris x86
Oracle Solaris Sparc	Oracle Solaris Sparc
Oracle Solaris Sparc	MS Windows XP
MS Windows Server 2003	MS Windows XP

Please note:
Using the Microsoft VISTA operating system will neither be possible nor supported. A combination of a MISS with Windows operating system and workstation with SUN SOLARIS operating system will not be supported.

Java Runtime Environment

Eurex Release 13.0 will require the Java Runtime Environment 1.6.
For further information, please visit: http://java.sun.com/javase/6/webnotes/index.html .

- **GATE** version 3.5 will remain unchanged. Currently no new GATE kit is planned to be provided along with Eurex 13.0.

Should you have any questions, please contact the Member Services & Admission team at tel. +49-69-211-1 17 00.

Frankfurt, August 16, 2010