X-pand into the Future

# e u r e x *circular 117/10*

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**Sender:** 1. Eurex Deutschland und Eurex Zürich
2. Eurex Clearing AG
**Recipients:** All Trading Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors
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## Euro BTP Futures / Euro-Buxl® Futures: Reduction of Minimum Issue Volume of Deliverable Government Bonds

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**Content may be most important for:**

Ü All departments

**Attachments:**

Updated sections of

**Eurex Deutschland und Eurex Zürich**

1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

**Eurex Clearing AG**

2. Clearing Conditions for Eurex Clearing AG

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided to reduce the minimum issue volume of deliverable debt securities in Euro BTP Futures and Euro-Buxl® Futures from ten to five billion euro as of **June 28, 2010**. This regulation will become effective for all contract months as of December 2010.

**Eurex Deutschland and Eurex Zürich**

To implement this decision, Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be amended as specified in attachment 1 with effect from June 28, 2010.

**Eurex Clearing AG**

To implement this decision of the Management Boards of the Eurex Exchanges, Eurex Clearing AG will amend the Clearing Conditions for Eurex Clearing AG (attachment 2) with regard to the clearing services it offers. These changes will also become effective on June 28, 2010.

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CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

## 1.2 Subpart: Contract Specifications for Fixed Income Futures Contracts

[...]

### 1.2.2 Obligation for Performance

(1) After the close of trading in the respective Euro Fixed Income Futures Contract, the seller of a Euro Fixed Income Futures undertakes to notify debt securities with the nominal value of the respective contract from the respective basket of deliverable bonds and to deliver such debt securities on the delivery day (subsection 1.2.6 paragraph (1)). Debt securities denominated in Euro may be selected for delivery, having a non-redeemable remaining term pursuant to subsection 1.2.1 paragraph (1). The debt securities must have a minimum issue volume of EUR 5 billion. For the delivery months up and including September 2010, a minimum issuing volume of EUR 10 billion applies for Euro Buxl Futures contracts and Euro BTP Futures contracts.

(2) After the close of trading in CONF Futures Contracts, the seller of a CONF-Futures undertakes to notify bonds with the nominal value of the contract and to deliver on the time of delivery (subsection 1.2.6 paragraph 1). Bonds denominated in Swiss Francs from the Swiss Confederation may be selected for delivery, having a remaining term pursuant to subsection 1.2.1 paragraph (2). In the case of bonds with an early redemption option, the first and last possible redemption dates as of the time of delivery of the contract must be between 8 and 13 years. The bonds must have a minimum issue volume of CHF 500 million.

(3) The purchaser shall be required to pay the tender price (Chapter II, subsection 2.3.4 of the Clearing Conditions of Eurex Clearing AG).

[...]

# Chapter II
# Transactions at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

[…]

## 2.3 Clearing of Fixed Income Futures contracts

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### 2.3.4 Fulfilment, Delivery

(1) A delivery obligation arising out of a short position in a Euro-fixed income futures contract may only be performed by the debt securities determined by Eurex Clearing AG. For delivery, debt securities denominated in EUR with a fixed coupon of the Federal Republic of Germany (for Euro-Schatz-, Euro-Bobl-, Euro-Bund- and Euro-Buxl Futures contracts) and of the Republic of Italy (for Euro-BTP-Futures contracts) can be chosen with a remaining uncallable term of:

- 1.75 up to 2.25 years for Euro-treasure Futures contracts
- 4.5 upt to 5.5 years for Euro-Bobls Futures contracts
- 8.5 up to 10.5 years for Euro-federal Futures contracts
- 24 up to 35 years for Euro-Buxl Futures contracts
- 8.5 up to 11 years and an original term of no longer than 16 years for Euro-BTP Futures contracts.

The bonds have to possess a minimum issuance volume of EUR 5 billion~~.~~; Euro Buxl- and Euro-BTP Futures contracts of the delivery months up to and including September 2010, in contrast, have to amount to a minimum issuance volume of EUR 10 billion.

A delivery obligation arising out of a short position in a CONF futures contract may only be performed by obligations determined by Eurex Clearing AG. Obligations of the Swiss Confederation denominated in Swiss Francs with a remaining term of at least eight years up to 13 years at most can be chosen. Concerning obligations with early redemption option, the first and last possible redemption date at the point of delivery of the contract must be between eight and 13 years. The obligations must possess a minimum issuance volume of CHF 500 millions.

(2) Two business days prior to the tenth calendar day of a quarter month (notification day), the Clearing Members with open short positions must indicate the type of bonds they will deliver to Eurex Clearing AG after transaction closing until the end of the post-trading full-period. Existing delivery notifications can be changed until closing of the post-trading full period. If a delivery notice is not made in a timely manner, Eurex Clearing AG determines the bonds to be delivered by the Clearing Member. The actual amount of notified debt securities have to be confirmed by Clearing Members vis-à-vis Eurex Clearing AG one day prior to the delivery day.

(3) After the end of the Post-Trading Period on the Notice Day, Eurex Clearing AG shall allocate to the Clearing Members with open long positions the bonds notified for delivery, using a selection procedure that ensures the neutrality of the allocation process. The Clearing Members will be informed on the next Business day as to which bonds were allocated to them and at what tender.

(4) Paragraphs 1 to 3 shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their Non-Clearing Members; Paragraph 3 shall apply mutatis mutandis to the legal relationship between Clearing Members or Non-Clearing Members, as the case may be, and their respective customers.

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