clear to trade

eurex clearing *circular 040/10*

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Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Peter Reitz

Exchange for Physicals Facility for Index Futures (EFPI): Adjustment

Related Eurex Clearing Circulars: 032/09

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Content may be most important for:	**Attachment:**
➲ All departments	Modified sections of the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

As an adjustment to the Members' trading models, the Executive Board of Eurex Clearing AG decided in connection with regulations of the Exchange for Physicals for Index Futures Trade facility (EFPI) to allow the combination of two futures trades of the same product. The enhancement will be valid for all Eurex stock index futures that are admitted for the EFPI facility. In this connection, please take note of the changes in the General Conditions for Participation, which will become effective on **July 1, 2010**. The modified sections of the General Conditions for Participation are also attached to this circular. The complete document will be available on our website under the path:

www.eurexchange.com > Trading > Wholesale Trading

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2 Subject Matter

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2.2 Exchange for Physicals (for Index Futures) Trades

2.2.1 The Exchange for Physicals (for Index Futures) Trade ("EFPI") facility allows participants - after OTC conclusion of cash transactions according to Number 11 for their own account or on behalf of a customer concerning the purchase of an object of purchase as defined in section 11 and the simultaneous sale of index futures contracts, or vice versa, to enter, pursuant to the provisions set out below, the futures contracts into the Eurex® clearing system of Eurex Clearing AG (hereinafter, "Eurex Clearing System") by means of a request to be sent to the respective Participant's interface, and to have them cleared.

In future, Eurex Clearing AG may include additional contracts in the EFPI Trade Facility, or may exclude previously included contracts. A combination of two futures trades of the same product shall be admitted.

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2.4 Block Trades

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2.4.4. Eurex Clearing AG can specify on product level that only block trades below the minimum size defined by Eurex Clearing AG shall be published intraday. The concerned products and the respectively valid "minimum sizes" shall be announced in the course of the Eurex participant communication.

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11 Cash transaction within the scope of the EFPI trade facility

11.1 Stock Index Futures Contracts

The following combinations of underlying instruments and Stock Index Futures contracts have been admitted by Eurex Clearing AG:

Admitted underlying instruments (reporting transaction)	Position-generating transaction
Share Basket	Eurex Stock Index Futures contracts
Exchange-traded index fund share	Eurex Stock Index Futures contracts

Cash transactions which ~~fulfill the prerequisites listed below can be~~ are part of an EFPI

trade pursuant to number 2.2 must fulfill the prerequisites listed below.

The contract number of the traded futures contracts must be in a specified ratio to the market value of the shares basket or the Share of Exchange-Traded Funds. The market value of the share basket or the Share of Exchange-Traded Funds must amount to 1 Mio. EUR, 1.5 Mio CHF or 1 Mio. USD and must not deviate from the contract value of the futures position by more than 20 % at maximum.

The share basket or Share of Exchange-Traded Funds has to consist of at least 10 different index components or a number of share titles which represent at least half of the share index underlying the futures contract. The market value of the part of the share basket or Share of Exchange-Traded Funds whose values are part of the share index underlying the futures contract, must be at least 20 % of the market value of the entire cash transaction. All share values in the share basket or Share of Exchange-Traded Funds must be part of the STOXX Europe TMI Index, DJ Global Titans 50^{SM}, (EUR), the Dow Jones Global Titan 50^{SM} Index (USD), the Dow Jones Sector Titans Indices, the MSCI Russia Index, MSCI Japan Index or RDXxt® USD-RDX Extended Index.

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13 Cancellation of OTC Transactions

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13.4 Costs

For each erroneous entry a respective cancellation fee in the amount of EUR 500 ~~for EUR denominated products and in the amount of GBP 600 for GBP denominated products and CHF 800 for CHF denominated products, respectively,~~ shall be invoiced by Eurex Clearing AG to the participants requesting the cancellation. In the case of the cancellation of a self-dealing transaction (In-House Transaction) the cancellation fee shall be invoiced by Eurex Clearing AG once only. The trading fee, which accrued for the cancelled OTC Transaction shall be reversed by Eurex Clearing AG.

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