clear to trade

eurex clearing *circular 014/10*

Date: Frankfurt, March 9, 2010
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book

CCP Roadmap 2010: Announcement and Overview, XIM: Service Extension & CCP Release 6.0

Contact: Member Services & Admission Team, tel. +49-69-211-1 17 00, fax +49-69-211-1 17 01

Content may be most important for:	**Attachment:**
➲ All departments	CCP Roadmap 2010 Milestones

Summary:

With this circular Eurex Clearing AG announces service extensions for Xetra International Market (XIM) and the introduction of CCP Release 6.0.

The XIM service extensions will be launched on **July 12, 2010**. Existing services will not be affected.

The following documents including detailed information will be distributed on March 29, 2010:

- Functional Notes
- Simulation Information

CCP Release 6.0 will be launched on **November 8, 2010** and will be a mandatory release for all CCP participants.

In order to evaluate the requirements of CCP Release 6.0, the following documents will be distributed on April 26, 2010:

- CCP Release 6.0 Preliminary Release Notes
- Customer Roadmap

Kindly forward this announcement to all involved departments in your company.

Eurex Clearing AG
Neue Börsenstraße 1
60487 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
customer.support@eurexchange.com
Internet:
www.eurexclearing.com

Chairman of the Supervisory Board:
Prof. Dr. Peter Gomez

Executive Board:
Andreas Preuß (CEO),
Jürg Spillmann, Thomas Book,
Gary Katz, Thomas Lenz,
Michael Peters, Peter Reitz

Aktiengesellschaft mit Sitz in Frankfurt/Main
HRB Nr. 44828
Amtsgericht Frankfurt/Main

CCP Roadmap 2010: Announcement and Overview, XIM: Service Extension & CCP Release 6.0

With this circular Eurex Clearing AG announces service extensions for Xetra International Market (XIM) and the introduction of CCP Release 6.0.

The XIM service extensions will be launched on July 12, 2010. Existing services will not be affected.

The following documents including detailed information will be distributed on March 29, 2010:

- Functional Notes
- Simulation Information

CCP Release 6.0 will be launched on November 8, 2010 and will be a mandatory release for all CCP participants.

In order to evaluate the requirements of CCP Release 6.0, the following documents will be distributed on April 26, 2010:

- CCP Release 6.0 Preliminary Release Notes
- Customer Roadmap

Kindly forward this announcement to all involved departments in your company.

XIM Service Extension

The service extensions for XIM include netting enhancements for Eurex Clearing International Service (EC-IS) introduced with CCP 5.0. Furthermore, the settlement network of Eurex Clearing AG (ECAG) and the range of supported instruments are extended.

Netting Enhancements:

The existing trade date netting functionality for EC-IS is extended by the following components subsumed under the term “Netting Enhancements”

- **Additional netting levels**
  Currently, net positions are created on trading member/account level. The new concept offers the possibility for clearing members to choose among four netting levels.
- **Non standard results optimization**
  Currently, in case of a non-standard netting result, single trades are not netted but one accumulated buy net position trade and one accumulated sell net position trade is created. The new netting concept offers processing of the following non-standard netting results as optional service:
  - Flat position (quantity is zero, but payable amount is not zero)
  - No cash (payable amount is zero, but quantity is not zero)
  - Flat position without cash (quantity and payable amount are zero)

Expansion of XIM to support Swiss securities:

The current country scope of XIM will be extended by Swiss securities. Clearing Swiss securities will follow the existing processing for Eurex deliveries with home market settlement at SIX-SIS.

- The netting model offers the functionality of Basic Service and Extended Service
- Depending on the Member setup, cross market netting between XIM trades and Eurex deliveries can be chosen

Expansion of XIM with securities of the STOXX® Europe 600 for France, the Netherlands, Belgium, Finland, Spain and Italy:

In order to provide a wider range of high liquid European blue chips on Xetra International Market, it is planned to extend its current offering for France, the Netherlands, Belgium, Finland, Spain and Italy in order to represent the full scope of the STOXX® Europe 600 and additional high liquid securities settled in those countries. A list of tradable instruments and a launch timeline will be provided in due time.

Furthermore the instrument scope of XIM will be extended by British and Irish securities. Trades in British and Irish stocks will be processed using EC-IS introduced with CCP 5.0. Depending on regulatory approval the launch date and simulation period will be communicated in due course.

The start of the Italian market, which was originally planned to be introduced with the initial launch of XIM in November 2009, is still subject to regulatory approval. It will be launched as soon as the approval is received.

Technical Changes:

There are no mandatory technical changes. No new front end kit will be distributed. The current front end software supports Windows 2003 as MISS platform and Windows XP as workstation platform. Solaris 10 will be supported as MISS and workstation platform.

The existing ECAG clearing service portfolio will not be affected, i.e. all existing CCP processes remain unchanged.

Simulation:
Members will be able to test the XIM service extensions in the standard CCP permanent simulation environment. The member simulation is planned as follows:

- May 3, 2010 – July 2, 2010 XIM Swiss securities
- June 8, 2010 – July 2, 2010 Netting Enhancements

Documentation:
In order to evaluate the requirements related to XIM service extension, the following documents will be distributed on March 29, 2010:

- Functional Notes
- Simulation Information

CCP Release 6.0

CCP Release 6.0 focuses on further expansion of the Eurex Clearing settlement network across additional European markets in the context of XIM. In addition, CCP Release 6.0 will support the new Eurex Client Asset Protection functionality, which will be introduced with Eurex Release 13.0, and is planned to adapt corporate action processing according to European corporate action harmonisation (Giovannini Barrier 3).

Eurex Clearing – International Service - Extension of settlement network:

With the introduction of Eurex Clearing – International Service, Eurex Clearing's settlement network was extended to support local settlement in six CSDs (Euroclear France, Euroclear Belgium, Euroclear Netherlands, Euroclear Finland, Monte Titoli (Italy) and Iberclear (Spain)). With CCP Release 6.0 additional CSDs are planned to be included:

- OeKB (Austria), VP (Denmark), HELEX (Greece), VPS (Norway), Interbolsa (Portugal), Euroclear Sweden, KDPW (Poland)

Therefore it is required to extend the existing CCP settlement account length of 12 characters to 35 characters in order to allow local settlement in the home CSD. This change will affect the VALUES API interface for all members and reports available for EC-IS.

Eurex 13.0 - Client Asset Protection:

With the implementation of Client Asset Protection in Eurex Release 13.0 and CCP Release 6.0 Eurex Clearing addresses the requirements of transparent asset segregation and timely portability. Client Asset Protection will be offered as an optional service allowing Clearing Members (CM) and clients to individually negotiate the level of protection and to choose between the existing solution, an omnibus solution and an NCM specific solution.

In this context it is also planned to change risk reports distributed via CCP infrastructure to XML format.

Enhance Corporate Action processing to be compliant with GB3 recommendations:

According to Standard 17 of the CAJWG (Corporate Action Joined Working Group) the existing corporate action processing will be adapted to local market practice. Eurex Clearing will process corporate actions on record date depending on local market practice. The introduction of this functionality is subject to final approval by the Market Practice Committee GB3.

Technical Changes:

CCP Release 6.0 contains mandatory technical changes for all Members. CCP Release 6.0 will support Windows 2003 as MISS platform and Windows XP as workstation platform. Solaris 10 will be supported as MISS and workstation platform.

CCP Release 6.0 is mandatory and not backwards compatible.

The CCP Release 6.0 software kit will be distributed in the usual manner. Installation of the software kit is mandatory for all members.

Simulation:

Members will be able to test CCP Release 6.0 in the CCP simulation environment. The CCP Release 6.0 member simulation is planned to commence on September 6, 2010 and to end on October 29, 2010. Further information about the simulation will be distributed at a later time.

Documentation:

In order to evaluate the requirements of CCP Release 6.0, the following documents will be distributed on April 26, 2010:

- CCP Release 6.0 Preliminary Release Notes
- Customer Roadmap

Please find attached the communication overview for the CCP Roadmap 2010 Milestones.

Should you have any questions or require additional information, please contact the Member Services & Admission Team at tel. +49-69-2 11-1 17 00 or fax +49-69-2 11-1 17 01.

Frankfurt, March 9, 2010

CCP Roadmap 2010

Member Communication Overview

