clear to trade

eurex clearing *circular 032/09*

Date: Frankfurt, June 22, 2009
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book

High priority

Exchange for Physicals Trade Facility for Index Products (EFPI): Extension by Shares in Exchange Traded Funds

Related Eurex Circulars: 192/05

Contact: Christine Heyde, tel. +49-69 -211-15698, e-mail: christine.heyde@eurexchange.com

Content may be most important for:	**Attachments:**
➲ Front Office/Trading ➲ Middle + Backoffice	Updated sections of Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

On June 17, 2009, the Executive Board of Eurex Clearing AG decided to extend the Exchange for Physicals (for Index Futures) Trade Facility (EFPI) by exchange traded funds. The extension will be applicable for all Eurex Equity Index Futures which are admitted to the EFPI Trade Facility. Thanks to this innovation the EFPI Trade Facility offers a wider range of application.

In this context, we kindly ask you to note the changes to the General Conditions for Participation which will become effective on **July 6, 2009**.

The updated sections of the General Conditions for Participation are attached to this circular. The complete document will be published in due time on the Eurex website under the path:

www.eurexchange.com > Trading > Wholesale Trading

****

CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

2 Subject Matter

[…]

2.2 Exchange for Physicals (for Index Futures) Trades

2.2.1 Within the Exchange for Physicals (for Index Futures) Trade ("EFPI") facility of transactions concluded off-exchange concerning the simultaneous purchase of a share basket or a Share of Exchange-Traded Funds as defined in section 11 and the sale of futures contracts, or vice versa, the Trade Facility provides Participants, for their own account or on behalf of a customer, with the possibility 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.

2.2.2 An EFPI Trade within the meaning of these General Conditions for Participation shall have occurred if a Participant, for its own account or on behalf of a customer, has agreed, off-exchange, with another Participant or with another customer, on the purchase/sale of futures contracts and, simultaneously, on the sale/purchase of a share basket or a Share of Exchange-Traded Funds as defined in section 11, provided that the specifications of such futures contracts are identical to the contract specifications set forth in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (hereinafter the "Eurex Contract Specifications"), and provided that Eurex Clearing AG has admitted these futures contracts to the EFPI Trade Facility pursuant to section 9.2 of these Conditions. Furthermore, the contract price of EFPI Trades must fulfil the requirements set out in section 5 of these General Conditions for Participation.

[…]

8 Mandatory Data Entries

[…]

8.2 EFPI Trade Functionality (OTC EFPI Trade Entry Window)

8.2.1 When entering an EFPI futures contract into the Eurex Clearing System by means of the EFPI Trade Facility, the buyer of the index contracts must enter the following data:

- the future contract traded (Instrument, expiration month and year)
- the contract price;
- the number of contracts;
- the reference number of the share basket or the Share of Exchange-Traded Funds;
- the market value of the share basket or the Share of Exchange-Traded Funds;
- the contractual value of the futures position;
- the Eurex exchange system user identification code of the buyer's trader;
- the open/close indicator;
- the position account
- the hedging method
- the settlement institution and
- the seller's Participant ID code for the Eurex exchange system.

[…]

11 Cash transaction within the scope of the EFPI trade facility

Eurex Clearing AG has determined that cash transactions which fulfill the prerequisites in paragraph 2 can be part of an EFPI trade pursuant to number 2.2.2 of these General Terms of Participation.

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 Dow Jones STOXX 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 or RDXxt® USD-RDX Extended Index.
[…]