clear to trade

eurex clearing *circular 062/10*

Date: Frankfurt, September 7, 2010
Recipients: All Clearing Members of Eurex Clearing AG
Authorized by: Peter Reitz

Reinvestment of Securities received from invested Cash Collateral

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Content may be most important for:	**Attachment:**
➲ Front Office/Trading ➲ Middle + Backoffice	Updated sections of the Clearing Conditions for Eurex Clearing AG

Eurex Clearing receives cash collateral from Clearing Members and invests these funds by means of reverse repo transactions against high grade collateral in order to pay interest on the provided funds. Eurex Clearing is also allowed to use the provided cash collateral for its daily operational functions (see Clearing Conditions for Eurex Clearing AG, chapter I, no. 3.3 sec. 5).

To always ensure intraday and overnight liquidity, the Executive Board of Eurex Clearing decided to allow the use of received high grade collaterals with central banks or other failsafe financial institutions. The provision towards these institutions can be done in form of pledges or repurchase transactions. Such eligible failsafe counterparts are defined in the Clearing Conditions for Eurex Clearing AG, chap. 4 no. 1.1.1 sec. 2.

Commercial banks are not envisaged for such transactions to guarantee highest safety of Clearing Member funds.

The change will take effect on **September 20, 2010**.

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CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Chapter I General Provisions

[…]

Part 3
Margin and Security Interest Rights

[…]

3.3 Margin in the form of Cash

(1) [...]

(2) […]

(3) […]

(4) […]

(5) Eurex Clearing AG reserves the right to make use of margin provided in the form of cash at its sole discretion in the context of its business activity in order to ensure its capacity to operate as a clearing house as well as for investment purposes.
Eurex Clearing shall also be entitled to use securities purchased in such investment transactions for purposes of liquidity management and liquidity generation in relation to its clearing activities in form of repo transactions with business parties according to chapter IV, number 1.1.1 section 2 letter (a) – (f) or as collateral towards a central bank.

(6) […]

[…]