X-pand into the Future

e u r e x *circular 042/12*

Date: March 1, 2012
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors
Senders: 1. Eurex Deutschland und Eurex Zürich
2. Eurex Clearing AG
Authorized by: Jürg Spillmann

Action required

Property Futures: Change in Naming of Eurex UK Annual All Property Futures

Contact: Christian Csomos, Product Development, tel. +44-20-78 62-72 35

Content may be most important for:

Ü All departments

Attachments:

Updated sections of

Eurex Deutschland and 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
3. Price List for Eurex Clearing AG
4. Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

Summary:

Due to changes in the underlying index "UK Annual All Property" by the index provider IPD, the Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG approved with effective date **March 19, 2012** amendments to the naming of the "Eurex UK Annual All Property Futures" contracts and the corresponding underlying index.

In this context and to provide clarity, the modification "Excluding Residential Specialist Funds" will be added to the names of the "Eurex UK Annual All Property Futures" (product ID: PUKA) and their corresponding underlying index.

Property Futures: Change in Naming of Eurex UK Annual All Property Futures

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In this context and to provide clarity, the modification “Excluding Residential Specialist Funds“ will be added to the names of the “Eurex UK Annual All Property Futures” (product ID: PUKA) and their corresponding underlying index.

The index provider IPD announced that it will add residential specialist funds to the composition of the “UK Annual All Property Index”. The old index will continue to be computed by IPD and will exclude pure residential specialist funds.

For the changes in the indexes calculated by IPD and the change in naming of the Eurex Futures, please refer to the following table:

IPD underlying: name old	**IPD underlying: name new**	**Eurex future: name, product ID**
n/a	IPD UK Annual Property Index - Including Residential Specialist Funds	n/a
IPD UK Annual Property Index	IPD UK Annual Property Index - Excluding Residential Specialist Funds	**Eurex UK Annual All Property Futures - Excluding Residential Specialist Funds, PUKA**

For the official announcement of the index provider IPD, please click here.

March 1, 2012

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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1. Part: Contract Spezcifications for Futures Contracts

1.1 Subpart: Contract Specifications for Property Index Futures Contracts

The following subpart contains contract specifications for futures contracts on commercial property return indices hereinafter referred to as “Property Index Futures Contracts”.

1.1.1 Subject Matter of Contract

(1) A Property Index Futures Contract is a futures contract on a specific property index.

(2) Futures Contracts on the following property indices are available for trading at the Eurex Exchanges. The publications of the respectively indicated institution shall be relevant for the composition, weighting and calculation of the indices:

- § IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index - All Property (Excluding Residential Specialist Funds) Total Returns (Investment Property Databank Limited).
- § IPD® UK Annual All Retail Index - All Retail Total Returns (Investment Property Databank Limited).
- § IPD® UK Annual All Office Index - All Office Total Returns (Investment Property Databank Limited).
- § IPD® UK Annual All Industrial Index - All Industrial Total Returns (Investment Property Databank Limited).

The nominal value of a contract shall be GBP 50,000.

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Annex C in relation to Contract Specifications:

Trading Hours Futures Contracts

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Property Index Futures Contracts

Product	Product-ID	Pre-Trading-Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day	
						Trading until	
IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index Futures	PUKA	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Annual All Retail Index Futures	PARE	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Annual All Office Index Futures	PAOF	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Annual All Industrial Index Futures	PAIN	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	

All times in CET

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

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Part 2 Clearing of Futures Contracts

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2.12 Clearing of Property Index Futures Contracts

The following provisions shall apply to the Clearing of Property Index Futures contract transactions specified in Number 1.11 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

2.12.1 Procedures in Payment

All payments shall be made on the Business Day following the final settlement day (Number 1.11.4 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich). All Clearing Members shall ensure their ability to effect payments on the due date thereof by having sufficient credit balances in the respective currency of the contract in the account with a payment institution recognised by Eurex Clearing AG (available on www.eurexclearing.com).

2.12.2 Final Settlement Price

The final settlement price of the Property Index Futures contracts will be determined by Eurex Clearing AG on the final settlement day of a contract (Number 1.11.4 Paragraph (1) of the Contract Specifications for Futures Contracts and Options Contracts at the Eurex Deutschland and Eurex Zürich).

The final settlement price of a Property Index Futures contract shall be determined under inclusion of the index values respectively published by the index provider as at the final settlement day.

In case Eurex Clearing AG does not possess index data underlying a Property Index Futures contract or if, due to other reasons, the final settlement price on basis of the relevant index cannot be determined, Eurex Clearing AG may determine the final

settlement price by means of another procedure. The value of a similar index may be used therefore. When choosing an alternative procedure, Eurex Clearing AG shall, as far as possible, take into account the similarity to the original index.

For IPD® UK Annual All Property (Excluding Residential Specialist Funds), IPD® UK Annual All Retail, IPD® UK Annual All Office and IPD® UK Annual All Industrial Futures Contracts, the final settlement price shall be determined in percent; the decimal places shall commercially be rounded to the next possible interval of 0.005, or 0.01, or multiples thereof.

The final settlement price shall reflect a nominal value of 100 plus the Annual Total Return or minus a loss during the calculation period (one calendar year) of the index.

The formula is as follows:

Final Settlement Price = $100 * [TRI_t / TRI_{(t-1)}]$

TRI_t =Total Returns Index Value at the end of the Annual Index Calculation Period

$TRI_{(t-1)}$=Total Returns Index Value at the beginning of the Annual Index Calculation Period

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3. Transaction Fees for Derivatives Transactions (Transactions on the Eurex Exchanges and OTC-Transactions)

3.1 Matching / Recording of Derivatives Transactions (Trade)

3.1.1 Exchange Transactions (excluding Block Auction)

For transactions executed on the Eurex Exchanges the following fees per contract apply. For some products specified in the table below, a reduced fee is applied on the contract volume of a transaction that exceeds the defined threshold. For transactions booked on M-Accounts, the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to Stock Futures that are correctly booked on M-accounts. In these cases, the sliding fee scale as defined in sentence 2 applies.

Contract *	**Currency**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[…]					
Property Derivatives					
Futures					
IPD® UK Annual All Industrial Index Futures	GBP	8.00	n. a.		
IPD® UK Annual All Office Index Futures	GBP	8.00	n. a.		
IPD® UK Annual All Property <u>(Excluding Residential Specialist Funds)</u> Index Futures	GBP	8.00	n. a.		
IPD® UK Annual All Retail Index Futures	GBP	8.00	n. a.		
[…]					

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3.1.3 OTC Transactions

(1) For transactions executed OTC and entered into the Eurex Clearing System via the OTC trade entry facilities (as described in the Conditions for Utilization of the OTC Trade Entry Facilities) the following fees per contract apply. For some products specified in the table below a reduced fee is applied on the contract volume of an OTC transaction entered into the Eurex Clearing System that exceeds the defined threshold. For transactions booked on M-Account the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to Stock Futures that are correctly booked on M-accounts. In these cases the sliding fee scale as defined in sentence 2 applies.

(2) For OTC transactions in products other than stock options / LEPOs and Options on Interest Rate Futures that are entered into the Eurex Clearing System via the OTC trade entry facility for multilateral trades (Multilateral Trade Registration) the standard fee is applicable on the entire volume of the transaction. In these cases, the reduced fee is not applied.

Contract	**Currency**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[…]					
Property Derivatives					
Futures					
IPD® UK Annual All Industrial Index Futures	GBP	12.00	n. a.		
IPD® UK Annual All Office Index Futures	GBP	12.00	n. a.		
IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index Futures	GBP	12.00	n. a.		
IPD® UK Annual All Retail Index Futures	GBP	12.00	n. a.		
[…]					

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3.3 Position Closing Adjustments

Position Closing Adjustments, if these do not take place between 13:30 CET on the day of trade and before 13:30 CET of the following trading day:

Contract	Fee per Contract	
[…]		
Property Derivatives		
IPD® UK Annual All Industrial Index Futures	GBP	16.00
IPD® UK Annual All Office Index Futures	GBP	16.00
IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index Futures	GBP	16.00
IPD® UK Annual All Retail Index Futures	GBP	16.00
[…]		

3.4 Cash Settlement

Contract	Fee per Contract		Maximum Fee for Contracts on the same underlying of each A-, P- and M-accounts
[…]			
Property Derivatives			
IPD® UK Annual All Industrial Index Futures	GBP	8.00	
IPD® UK Annual All Office Index Futures	GBP	8.00	
IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index Futures	GBP	8.00	
IPD® UK Annual All Retail Index Futures	GBP	8.00	
[…]			

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9 Admitted Products, Combinations and Combination Transactions Option-Share

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9.3 Block Trade Functionality

Eurex Clearing AG has admitted the products listed in the following to the Block Trade Facility. Such admission is independent from the respective transactions being entered into the Eurex Clearing System within the scope of an options strategy, an options volatility strategy or as a Combination Transaction Option-Share, consisting of OTC options transactions and OTC security transactions.

9.3.1 Admitted Products:

Product	Minimum number of tradable contracts
[…]	
Futures Contracts on IPD® UK Annual All Industrial Index	1
Futures Contracts on IPD® UK Annual All Office Index	1
Futures Contracts on IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index	1
Futures Contracts on IPD® UK Annual All Retail Index	1
[…]	

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Annex A to the General Conditions for Participation:

OTC Periods of Use (all times in CET)

Futures-Contracts

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Property Index Futures Contracts

Product	Product-ID	Start-End
IPD® UK Annual All Industrial Index	PAIN	08:30-18:30
IPD® UK Annual All Office Index	PAOF	08:30-18:30
IPD® UK Annual All Property (Excluding Residential Specialist Funds) -Index	PUKA	08:30-18:30
IPD® UK Annual All Retail Index	PARE	08:30-18:30

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