clear to trade

eurex clearing *circular 048/11*

Date: June 6, 2011
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book

⚠ **Action required** ⚠ **High priority**

ISE-CCP: Inclusion of UK Securities

Contact: Clearing Operations, tel. +49-69-211-12 50

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

Summary:

Eurex Clearing AG would like to advise all Clearing Members admitted to the Irish Central Counterparty service (ISE-CCP) that the Irish Stock Exchange Ltd. is increasing the scope of its CCP service to include clearing in UK securities. The migration of these securities to the ISE-CCP service will provide increased efficiency to post-trade processing of UK securities traded in the ISE Xetra® order book.

All UK securities traded on the Irish Stock Exchange Ltd. will be CCP eligible with effect from **June 20, 2011**.

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

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

ISE-CCP: Inclusion of UK Securities

Eurex Clearing AG would like to advise all Clearing Members admitted to the Irish Central Counterparty service (ISE-CCP) that the Irish Stock Exchange Ltd. is increasing the scope of its CCP service to include clearing in UK securities. The migration of these securities to the ISE-CCP service will provide increased efficiency to post-trade processing of UK securities traded in the ISE Xetra® order book.

All UK securities traded on the Irish Stock Exchange Ltd. will be CCP eligible with effect from June 20, 2011. Therefore, from this date, all order book trades in the following securities will show the Irish CCP (CCPIE) as the counterparty to those trades:

ISIN	Security
GB0002374006	Diageo plc
GB0031477770	First Derivatives plc
GB0008847096	Tesco plc
GB0001500809	Tullow Oil plc
GB00B244WQ16	UTV Media plc

Consistent with the current CCP service, OTC trades in these securities will continue to be settled on a bi-lateral basis between Non-Clearing Members admitted to the Irish Stock Exchange Ltd.

The ISE-CCP documentation has been updated, where relevant, to include the addition of UK securities. In particular, the following documents have been updated:

- Clearing Conditions
- Irish Stock Exchange specific Buy-in Guide
- ISE-CCP Service Description
- ISE-CCP List of Securities

All documents are available for download on the website of the Irish Stock Exchange under the path:

www.ise.ie >Membership & Trading > Market Infrastructure > Clearing

If you have any questions, please call the Clearing Operations team at tel. +49-69-211-12 50.

June 6, 2011

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CHANGES ARE MARKED AS FOLLOWS:
AMENDMENTS ARE UNDERLINED
DELETIONS ARE CROSSED OUT
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Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)

Part 1
General Provisions

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1.1.4 Conclusion of Transactions

(1) At the Irish Stock Exchange, the only parties to ISE transactions are Eurex Clearing AG and a Clearing Member. Eurex Clearing AG makes an open offer to Clearing Members and shall enter into a central counterparty contract when two orders in securities subject to Clearing under this Chapter VI are matched electronically on the ISE trading system. Such matching constitutes the acceptance of the open offer by each of the trading participants at the Irish Stock Exchange which have entered the orders that have been matched and a central counterparty contract shall immediately arise between Eurex Clearing AG and the Clearing Member in question. Where an order ~~in Irish securities~~ which has been matched electronically on the ISE trading system has been entered by a Non-Clearing Member, the open offer shall be accepted by that Non-Clearing Member as agent for the General Clearing Member which provides clearing services for that Non-Clearing Member. The General Clearing Member shall be bound by the terms of such a transaction, irrespective of anything contained in any agreement or arrangement between the General Clearing Member and the Non-Clearing Member. All transactions for the sale and purchase of ~~Irish~~ securities between Eurex Clearing AG and Clearing Members and all matters concerning the formation and validity of such transactions shall be governed by and construed in accordance with the law of the Republic of Ireland.

It shall be a term of every central counterparty contract between Eurex Clearing AG and a Clearing Member that the obligation of each of Eurex Clearing AG and the Clearing Member as between themselves to deliver securities or pay cash in respect of that, where the Clearing Member has elected t osettle a transaction on a net basis, transaction shall be discharged by and upon the delivery of the net amount of ~~Irish~~ securities of the same description as the securities to which that transaction relates and/or the payment of the net amount of cash for securities of that description calculated, in accordance with the netting procedures provided by CREST, as payable and/or deliverable on the settlement date of the relevant transactions between Eurex Clearing AG and the Clearing Member.

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Part 2
Clearing of transactions concluded at the Irish Stock Exchange (ISE)

2.1 Sub-Part
Settlement of ISE transactions

2.1.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party for all deliveries and payments at the performance of ISE transactions.

(2) Clearing Members must fulfil their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.

(3) The following shall apply to the procedures for delivery and payment pursuant to Paragraph 1:

All physical deliveries and payments shall be concurrently performed between the Clearing Members and Eurex Clearing AG and, accordingly, between Eurex Clearing AG and the Clearing Members which are to receive delivery, on the settlement day (delivery versus payment). Physical deliveries of securities are to be made through the securities account at CREST of Eurex Clearing AG, and the payment is to occur via the respective cash settlement account.

(4) Transfer of ownership regarding the securities to be delivered by the Clearing Members to Eurex Clearing AG and vice versa, shall be effected in accordance with the laws of the Republic of Ireland and the requirements of CREST. According to the laws of the Republic of Ireland, the transfer of ownership regarding securities becomes effective upon entry or transfer of title in the respective share register after the respective request ("Register Update Request") as prescribed by the CREST manual has been submitted. Upon such request, the purchaser initially acquires a right in rem for transfer of ownership vis-à-vis the seller in the appropriate number of the relevant ~~Irish~~ securities on which the respective ISE transaction is based. The purchaser's right in rem for transfer of ownership ceases to exist upon registration in the share register by the respective issuer of such ~~Irish~~ securities or by its registrar, and the purchase obtains title in such securities by way of such registration. The issuer may, in specific circumstances according to the laws of the Republic of Ireland, refuse to register a transfer of title in the respective share register; in such cases, the rules of CREST relating to bad deliveries defined in the CREST manual shall apply.

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2.1.5 Delay

(1) If the Clearing Member obligated to deliver is in default in assignment of the owed securities or part thereof Eurex Clearing AG shall have the rights pursuant to Paragraph 1 to 7:

a) Eurex Clearing AG shall be authorized ~~for Irish securities~~, for account of the Clearing Member, to carry out a replacement purchase with securities of the same class on the 15th, 18th, 20th and ~~38~~37th business day after the default and in further periods of respectively ten business days. ~~Eurex Clearing AG is authorized to make a replacement purchase for British securities with securities of the same nature at the expense of the Clearing Member on the 15th, 18th and 20th business day.~~

The replacement purchase shall be carried out by means of an auction whose place and implementation may be determined by Eurex Clearing AG under consideration of the interests of the Clearing Member.

For each auction, Eurex Clearing AG shall publish a maximum price for each class of securities, which shall constitute the ceiling for bids. The maximum price for such auction shall be the settlement price determined by Eurex Clearing AG for the corresponding class of securities plus an additional charge of 100% of such settlement price.

Any company (“Vendor”) who has concluded a contract with Eurex Clearing AG beforehand may take part in the auctions.

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