X-pand into the Future

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CCP Release 3.1: Technical and Legal Documents

Related Eurex Circulars: 257/05, 017/06, 041/06

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Content may be most important for:	Attachments:
➲ Middle + Back Office ➲ IT / System Administration, ➲ Auditing / Security Coordination	1. Common Front End Technical Overview 2. Common Front End Network Setup **(both on Eurex website only)** 3. Functional Changes with CCP Release 3.1 and Impacts on the Legal Framework of Eurex Clearing AG

Summary:

In the context of the CCP Release 3.1 introduction, we are providing further information to support you in preparing for the release start.

The following documents have been published today in the Member Section on the Eurex website:

- "Common Front End Technical Overview"
- "Common Front End Network Setup"
- "Functional Changes with CCP Release 3.1 and Impacts on the Legal Framework of Eurex Clearing AG"

To download your personal copy, please visit

www.eurexchange.com > Member Section > Documentation/Manuals CCP > CCP 3.1 > Technical Documents resp. **Functional Documents**.

Please be reminded that the forms published with Eurex circulars 257/05, 017/06 and 041/06 need to be returned **before March 31, 2006**. This is a prerequisite to ensure that your requested setup in simulation can be provided.

The forms that need to be returned are available in the Member Section on the Eurex website. To download your personal copy, please visit

www.eurexchange.com > Member Section > Documentation/Manuals CCP > CCP 3.1 > Legal Documents / Setup Accounts

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„Common Front End Technical Overview"
This document offers a technical overview of the MISS-based front-end of Eurex®, Eurex US®, CCP and Xetra®. The objective is to give member network and system administrators a complete overview of the technical structure of a MISS-based installation that supports the front-end components of the exchange applications. This includes a general description of hardware and software components as well as an overview of the front-end network configuration and administration requirements.

"Common Front End Network Setup"
Founded on a technical overview of the MISS-based front-end of Eurex®, Eurex US®, CCP and Xetra®, this document supports members in setting up their internal front-end network for operation of exchange software.

To download your personal copy, please visit

www.eurexchange.com > Member Section > Documentation/Manuals CCP > CCP 3.1 > Technical Documents.

„Functional Changes with CCP Release 3.1 and Impacts on the Legal Framework of Eurex Clearing AG"
This document provides an overview of current features which will be adapted or replaced and services to be introduced with CCP 3.1, as well as reference to the impacts on the Clearing Conditions for Eurex Clearing AG.

To download your personal copy, please visit

www.eurexchange.com > Member Section > Documentation/Manuals CCP > CCP 3.1 > Functional Documents.

Please be reminded that the forms published with Eurex circulars 257/05, 017/06 and 041/06 need to be returned **before March 31, 2006**. This is a prerequisite to ensure that your requested setup in simulation can be provided.

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Frankfurt, March 28, 2006

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Functional Changes with CCP Release 3.1 and Impacts on the Legal Framework of Eurex Clearing AG

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Abbreviations

BBK	Bundesbank
CASCADE	Central Application for Securities Clearing and Depository of CBF
CBF	Clearstream Banking Frankfurt (German CSD)
CCP system	Central Counterparty System
DCM	Direct Clearing Member
ECAG	Eurex Clearing AG
Eurex Exchanges	Derivatives market of GDB and SWX / is synonymously used for Eurex Deutschland and Eurex Zürich AG
FSE	Frankfurt Stock Exchange
GCM	General Clearing Member
GDB	Group Deutsche Boerse
GDM	Gross Delivery Management
NCM	Non Clearing Member (cp. TM)
SA	Settlement Account
Secom	Clearing and settlement system of SIS
SIN	Single Instruction Netting
SIS	SegaInterSettle (Swiss CSD)
SL	Settlement Location
SNB	Swiss National Bank
SNU	Settlement Netting Unit
SWX	Swiss Exchange
TM	Trading Member (cp. NCM)
Xetra	Electronic trading system of FSE
Xetra-OTC	Over-The-Counter trade entry of GDB provided within Xetra
XONTRO	Floor trading system of FSE

1 Introduction

CCP Release 3.1 – Delivery Harmonization (CCP 3.1) establishes one single delivery processing for all products available for clearing at Eurex Clearing AG (ECAG).

After the introduction of the preceding Central Counterparty (CCP) releases which have been mainly cash equity and fixed income market oriented CCP 3.1 will introduce the delivery processing already available for Frankfurt Stock Exchange (Xetra, XONTRO), Xetra-OTC transactions, Eurex Bonds, and Eurex Repo for Eurex Exchanges deliveries. The processing of cash settled Eurex derivatives products remains unchanged. Within this document the term “Eurex Exchanges” is synonymously used for Eurex Deutschland and Eurex Zürich AG.

The introduction of the CCP system to the Eurex Exchanges market will affect all products currently traded at the Eurex Exchanges with physical settlement of the underlying security in case of exercise/assignment or notification/allocation. The products for which the enhanced delivery process and the adopted default process will apply are:

- Fixed income futures contracts (Euro-Schatz, Euro-Bobl, Euro-Bund, Euro-Buxl, and CONF)
- Future contracts of Exchange Traded Fund shares
- Options contracts on shares of Exchange Traded Funds (EXTF-Options)
- Options contracts and low exercise options on shares

The document provides an overview of affected current functionalities which will be changed or replaced (chapter 3), the services newly introduced for Eurex Exchanges (chapter 4), and the changes of the Clearing Conditions for Eurex Clearing AG (chapter 5). Within each section in chapters 3 and 4, a reference to the respective rule in chapter 5 is provided where the Clearing Conditions are directly affected.

This document should assist members currently not using the CCP services in analyzing their impacts resulting from the changed functional, technical and legal framework of Eurex Clearing AG.

2 Process Overview

With CCP 3.1, deliveries resulting from exercise/assignment and notification/allocation in Eurex Exchanges are forwarded and processed within the CCP system. Deliveries are transferred from the Eurex Exchanges to the CCP system directly after exercise/assignment and notification/allocation (see figure below) is executed (day T).

Products which are cash settled according to the provisions of the Contract Specification of the Eurex Exchanges are handled unchanged and are out of scope for the CCP system. Direct transfers of physical deliveries from Eurex Exchanges to CBF and SIS will no longer take place.

Transactions resulting from Eurex Exchanges exercises/assignments and notifications/allocations remain within the Eurex Exchanges Clearing License.

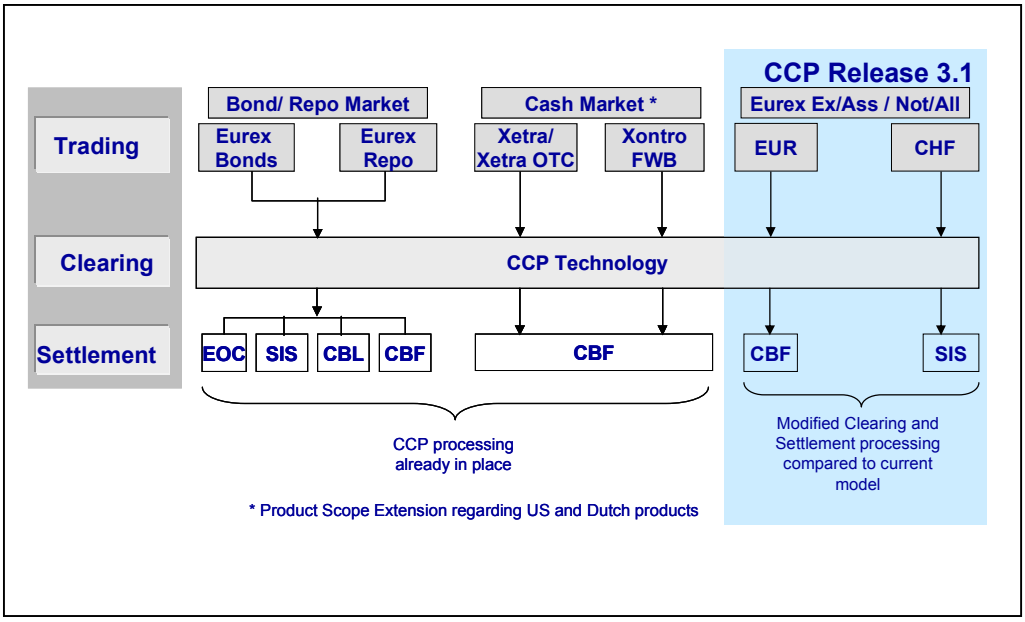


Figure: Inclusion of Eurex Exchanges deliveries in CCP

Specific features of Eurex deliveries in settlement currency EUR and CHF within the CCP system are:

- Eurex deliveries are reported in a new report on the evening of the day when the exercise/assignment and notification/allocation has been performed
- Cross-market-netting between deliveries and cash market trades is available for equities
- Central Bank Money used for cash payments
- Settlement at CBF and SIS

CCP 3.1 Delivery Harmonization integrates transactions from physical deliverable products available at the Eurex Exchanges into the CCP services and provides the following key benefits

- Process Harmonization of all deliveries/ trades from all trading venues where Eurex Clearing AG (ECAG) steps in as CCP.
- Settlement netting reduces number of delivery instructions.
- To offer enhanced netting for equities of derivate market deliveries and cash market trades.
- To establish a fully automated process for deliveries and corporate actions.

3 Functionalities Changed/Replaced with CCP 3.1

The existing Eurex Exchanges delivery processing, before CCP 3.1, provides functionalities especially designed to handle Eurex Exchanges deliveries between the Eurex Exchanges platform and the settlement locations Clearstream Banking Frankfurt (CBF) and SegaInterSettle (SIS). These functionalities will be replaced or changed with the introduction of CCP 3.1.

The details provided in this chapter which are not explicitly mentioned in the Clearing Conditions for Eurex Clearing AG are listed to point out the functional context of the required change.

3.1 Information from Eurex Exchanges deliveries - Replaced

Information regarding exercised/ assigned and notified/ allocated transactions is currently provided in the "Ausübungsdatenträger" from CBF.

With the introduction of CCP 3.1 this information is not available at CBF anymore hence the "Ausübungsdatenträger" from CBF is replaced by a new report. The newly introduced report CE290 – Eurex Deliveries from the CCP system will contain the information regarding exercises/assignments and notifications/allocations. The CCP system creates the report CE290 – Eurex Deliveries in MT512 SWIFT format according to the contract notes in the end-of-day processing.

3.2 Monitoring of Deliveries - Changed

Information regarding deliveries is currently contained in reports provided by the Eurex Exchanges.

- CE070 – Exercise and Assignment Summary
- CE075 – Notification/Allocation Summary

Eurex derivatives delivery reports will be changed with CCP 3.1. Delivery information in Eurex Exchanges reporting is only shown on the exercise/assignment or notification/allocation day and displayed as processed by the CCP system. After the exercise/assignment or notification/allocation day deliveries are included in the reporting from the CCP system and marked as provided by Eurex Exchanges.

3.3 Settlement Processing – Changed

The existing functionality provides handling of Eurex Exchanges deliveries in the settlement systems of CBF (CASCADE) and/or SIS (Secom).

Eurex Exchanges transactions are transferred to the CCP system for trade management. The resulting deliveries are deleted from the settlement system of CBF (CASCADE) and SIS (Secom) at the end of the settlement day.
Thus delivery management must be performed in the CCP system.

The following reports from Eurex Exchanges are replaced:

- CE080 – Pending Delivery

- CE090 – Late Delivery
- CE100 – Settled Delivery
- CE105 – Settled Bond Delivery

3.4 Internal and External Settlement - Replaced

Currently settlement of Eurex Exchanges deliveries happens on two levels, internal and external, in regard of "Internal Settlement" exercises/assignments or notifications/allocations are netted per Clearing Member and series in Eurex Exchanges core system. Resulting delivery instructions are allocated to clearing members. Exercises/assignments or notifications/allocations netted on level CM and series are deemed to be settled and excluded from risk management.

With CCP 3.1 each exercise/assignment transaction or notification/allocation transaction will result in a deliverable item which is sent to the CCP system where it is subject to the functionalities of GDM (netting, blocking, linking, marking for gross processing). The resulting delivery instructions will finally be sent to CBF and SIS for settlement.

3.5 Risk Management - Changed

Margin for deliveries resulting from interest rate futures, i.e. Euro-Schatz futures, Euro-Bobl futures, Euro-Bund futures, Euro-Buxl futures, and Conf futures is currently based on the margin parameter for Eurex Exchanges.

In the course of introducing CCP 3.1, margin for allocation/notification transactions resulting from interest rate products is handled according to cash market deliveries; hence the margin parameter of the effectively deliverable bond is used for calculation.

3.6 Late Delivery Handling for exercised/assigned Transactions – Replaced

The late delivery handling, i.e. late delivery fines and interest of delay, for notified/allocated transactions from interest rate futures remains unchanged. For transactions from exercise/ assignment with physical settlement, the existing calculation and charging of late delivery fines and interest of delay is replaced by a buy-in fee with a fixed and a variable component (cp. 4.6).

4 Functionalities to be introduced with CCP 3.1

The introduction of the CCP system to Eurex Exchanges deliveries and the subsequent netting of Eurex Exchanges transactions for fixed income products and Eurex Exchanges transactions for equity-style products and cash market deliveries for equity-style products are value-adding services which will enrich the existing value chain for Eurex Exchanges deliveries. These CCP systems are already available for cash market deliveries from Frankfurt Stock Exchange (Xetra, XONTRO), Xetra-OTC transactions, Eurex Bonds, and Eurex Repo.

The details provided in this chapter which are not explicitly mentioned in the Clearing Conditions for Eurex Clearing AG are listed to point out the functional context of the required change.

4.1 Member Roles

Similar to the existing participant structure at the Eurex Exchanges and in the CCP system, the member roles are:

- Trading Member (Non-Clearing-Member - NCM): An NCM is a participant at the Eurex Exchanges trading platform. Own orders and/or orders for customers can be executed at the Eurex Exchanges, but clearing of derivatives trades/ positions, clearing of deliveries resulting from derivatives positions and/ or settlement of those deliveries cannot be carried out directly with Eurex Clearing AG and the respective CSDs CBF and/or SIS. An NCM uses a CM to clear its derivatives trades/positions, to clear its deliveries from derivatives deliveries, and to settle those deliveries.
- Clearing Member (CM): A General-Clearing-Member (GCM) may clear proprietary trades, trades of its agents and the trades of all trading members without a clearing license (NCM) with which it has entered into a clearing agreement. A Direct Clearing Member (DCM) is only entitled to clear proprietary trades, the trades of its agents and trades of own subsidiaries without a clearing license.

  CMs have to fulfill certain pre-requisites such as participating in the CCP system, i.e. access to Gross Delivery Management (GDM) and the ability to receive reports with CCP system related information and are subject to minimum liable equity capital requirements and contributions to the clearing fund.

  The settlement account(s) used for the final settlement of the delivery must be provided by the CM and can be one or several settlement accounts within CBF or SIS.

  The cash accounts used for the final settlement of the delivery related cash payment and the cash payment from the offsetting block must be provided by the CM and must contain one account at Bundesbank (BBK) for EUR payments and one account at Swiss National Bank (SNB) for CHF payments. Both settlement accounts and cash accounts which must be provided by the CM may be held another legal owner, e.g. the settlement institution.
- Settlement institution (SI): A CM can authorize one or more settlement institutions to perform the timely fulfillment of the CMs obligations nevertheless, the CM remains liable. SIs as well as CMs and NCMs, who perform settlement themselves, will jointly be referred to as

"SI" in this document. SIs are requested to participate in the CCP system, i.e. access to Gross Delivery Management (GDM) and the liability to receive reports with CCP system related information.

SI is alike the term Custodian Bank which is currently used in Eurex Exchanges.

4.2 Availability of Settlement Accounts

Members will have the possibility to use several settlement accounts (SA) at the settlement locations (SL) CBF and/ or SIS. For Eurex Exchanges deliveries those can be set up individually per NCM and ISIN ("CSD Selection per ISIN"). Using multiple settlement accounts per NCM and ISIN enables the administration of deliveries according to the members-processing requirements. The member setup in relation to the settlement is termed Settlement Netting Unit (SNU). The level of detail is

- CM, SA, SL, ISIN, currency
- CM, SA, SL, ISIN, currency/ proprietary business of the CM, agent business of the CM
- CM, SA, SL, ISIN, currency/ proprietary business of the CM, agent business of the CM/ NCM

4.3 Gross Delivery Management

The Gross Delivery Management functionality (GDM) of the CCP system will provide the possibility to use single transactions (deliveries and receipts) from the Eurex Exchanges (or single trades from the cash market) for trade management.

4.3.1 Functionalities of Gross Delivery Management

Transactions will be available within gross delivery management on the day following the exercise/assignment or notification/allocation at the Eurex Exchanges. CMs and SIs will have the possibility to apply certain functions to such transactions.

The following functionalities of GDM will be available from the day following the exercise/assignment or notification/allocation at the Eurex Exchanges onwards until the transaction is settled:

- Online inquiry of transactions
  Transactions can be inquired which includes the current settlement status and blocking status per delivery.
- Blocking of trades:
  Settlement of deliveries can be blocked by the CM or SI on single delivery basis. Alternatively, the CM or SI can set a default parameter to automatically block all deliveries ("positive release method").
- Full release of deliveries:
  Deliveries can be released for settlement by the CM or SI on single delivery basis.

Alternatively, the CM or SI can set a default parameter to automatically release all trades ("negative release method").

- Partial release/blocking of deliveries:
  Trades can also be partially released or blocked for settlement by the CM or SI.
- Manual linking of deliveries:
  CM or SI can link the settlement of a delivery with the successful settlement of a receipt transaction with the same or a higher number of securities[1]. Thus, it will be ensured that the receipt transaction fulfills the delivery. The linking functionality will only be available for transactions, which are subject to net processing.
- Automatic linking of deliveries:
  A CM or SI has the possibility to automatically link deliveries and receipt transactions[2] by using a reference field. The functionality of automatic linking will only be available for transactions, which are subject to net processing.
- Marking trades for gross processing:
  Transactions marked for gross processing will be considered separately in risk management and ignored in the settlement netting process. A single delivery instruction will be generated and forwarded to CBF or SIS for each delivery marked for gross processing.

The gross delivery management functionality will also be available for all deliveries created through corporate actions.

4.3.1.1 Alternatives for Member-Internal Cash Accounting

Two alternatives will be offered to support member internal cash accounting. These alternatives result from processing in the CCP system where deliveries on the level CCP - CM and CM-customer are available for management.

- Using a Differences Account

  For blocked deliveries and corresponding receipt transactions in the offsetting block, cash settlement will be processed on CCP – CM level at the value date. Blocked deliveries in the offsetting block are regarded as settled on the level CCP – CM, but considered pending on CM – customer level until their release in GDM (closed trades). This difference can be processed internally by using a differences account. The CCP system provides the required information for reconciliation of this account.

- Cash Deferral

  To support cash accounting, cash settlement for blocked deliveries and corresponding receipt transactions in the offsetting block on CCP – CM level will be performed only upon release of such trades. Blocked deliveries and corresponding receipt transactions in the offsetting block will be regarded as pending on CCP – CM level and pending on CM – customer.

[1] I.e. one delivery is linked with one receipt transaction.
[2] I.e. *n* deliveries can be linked to *m* receipt transactions.

The CM must pay the incurred costs and expenses and has to cover additional risks by pledging collateral, if necessary. After a specific delivery has been released, settlement can be performed in the next cash settlement cycle.

Thus, cash differences (as described in the first alternative) between the CCP – CM and CM – customer levels cannot occur. For participants in the CCP system, it will not be necessary to enhance internal systems in order to manage the cash differences (as would be required when using the first alternative). Blocked deliveries in the offsetting block will therefore be processed in the same way as those contained in the surplus, which means that these deliveries trades will be regarded as fails. The CM must pledge the appropriate collateral. Furthermore, Eurex Clearing AG charges all costs incurred due to the provision of these services to the CMs according to a cost-by-cause principle.

4.3.1.2 Special Processing for Bond Deliveries in EUR denominated Bonds

Resulting from CCP 3.0, an alternative processing will be offered for the handling of bond deliveries in EUR denominated bonds. This processing "Single Instruction Netting (SIN)" allows combining the delivery versus payment transaction with the cash payment which results in one instruction to be sent to the CSD.

4.3.2 Processing of Corporate Actions

Corporate actions will be fully processed by the CCP system for all deliveries provided from the Eurex Exchanges to the CCP system. Depending on the type of the corporate action, processing will be as follows:

4.3.2.1 Income Events

Income events supported by the CCP system are dividend payments and bonus payments, coupon payments from interest rate products, and profit distributions of investment funds. Those payments will be deducted from the seller to the buyer. Payments will be initiated by the CCP system via the respective cash location, BBK for EUR payments and SNB/SIC for CHF payments. Income payments in currencies other than the above mentioned will be deducted via a commercial bank account of the member, e.g. a foreign currency account at Clearstream Banking Frankfurt.

4.3.2.2 Non-Income Events

Non-income events supported by the CCP system are rights issues and the exchange of securities.

- Rights issues:
  Those can result in subscription rights or partial rights, rights issues are also handled for re-runs in case of event information is delivered to late for processing.
- Exchange of securities:
  Affected deliveries are adjusted depending on the requirement of the non-income event, i.e. the number of securities is increased or decreased and/or the ISIN is changed

4.4 Risk Management for Deliveries

Risk management is conducted in a similar way as existing process at Eurex Clearing AG. However, the process differs for interest rate products, because the margin parameter of the cash market product, i.e. the bond to be delivered is used.

4.5 Reporting

Delivery status and settlement information will be moved from the Eurex Exchanges reporting to the CCP system reports at the time the deliveries are forwarded to the CCP system, i.e. the day the deliveries will be available in the CCP system. Information that deliveries are forwarded to the CCP system will be included in the existing Eurex Exchanges reports:

- CE070 - Exercise and Assign Summary
- CE075 - Notification/Allocation Summary

The following CCP system reports, among other more detailed reports, contain the information mainly necessary for trade management in the CCP system:

- CE270 - Settled Deliveries
- CE260 - Pending Deliveries
- CA160 - Custody Payment Statement
- CA180 - Capital Adjustments on Trades

4.6 Late Delivery Handling for exercised/assigned Transactions

The existing processing for Eurex Exchanges deliveries considers the calculation of late delivery fines and interest of delay for all products.

Resulting from the introduction of CCP 3.1 and the netting offered for Eurex Exchanges transactions and FWB and Xetra-OTC transaction in equity style products a modification in the late delivery handling is necessary.

This modification will result in the abolishment of late delivery fines and interest of delay but will at the same time introduce a buy-in fee enhanced by a variable component. In the course of introducing CCP 3.1, the buy-in fee of currently EUR 250 will be extended by a variable component of 10 % of the outstanding amount with a cap of EUR 5,000 for products with clearing currency EUR. The buy-in fee for products with clearing currency CHF will be charged in CHF. The respective levels are CHF 400 and CHF 8,000 for the cap.

Late delivery handling, i.e. late delivery fines and interest of delay, for notified/allocated transactions from interest rate futures remains unchanged.

5 Impacts on the Clearing Conditions for Eurex Clearing AG

The changes and replacements described in chapters 2 and 3 result in textual and structural changes of the Clearing Conditions for Eurex Clearing AG. In general it is aspired to restructure the Clearing Conditions for Eurex Clearing AG depending on the importance of a specific regulation for the total clearing business of Eurex Clearing AG or for a specific market.

The general structure is already given and appears as follows:

I. General Provisions

II. Transactions at Eurex Deutschland and Eurex Zürich AG

III. Clearing of Transactions at Eurex Bonds GmbH

IV. Clearing of Transactions at Eurex Repo GmbH

V. Transactions concluded at Frankfurt Stock Exchange

VI. Transactions concluded at the Irish Stock Exchange

Chapters I to V are impacted by CCP 3.1 whereas chapter VI remains unaffected from the introduction of the CCP system.

5.1 Chapter I, General Provisions

Intended Change	Comment	Type of Change	Current Reference
Enhancement by specific rules for providing and set-off of liable capital for Eurex Bonds, Eurex Repo, and FWB	Simplification for centralizing general rules, specific regulation is deleted within each section	Rearrangement of existing rules	III, 1.1.2 (1), (2) - Eurex Bonds IV, 1.1.2 (1), (2) - Eurex Repo V, 1.1.2 (1), (2) - FSE
Enhancement by the authorization of ECAG to provide delivery instructions to the respective settlement systems of connected CSDs or custodian banks	This authorization is already used, the member must provide ECAG with a power-of-attorney to send delivery instructions	Completion of the existing rules	III, 2.2 (5) – Eurex Bonds IV, 2.2 (5) – Eurex Repo V, 2.1.1 (5) - FSE
Enhancement by the regulations regarding usage of and prerequisites for Settlement Institutions	The usage of a Settlement Institution is new for Eurex Exchanges. Simplification for Eurex Bonds, Eurex Repo, and FSE, the specific regulation is deleted within each section.	Enhancement for Eurex Exchanges Rearrangement of existing rules for remaining markets, rules for ISE are not affected	III, 1.1.2 (5), (6) – Eurex Bonds IV, 1.1.2 (5), (6) – Eurex Repo V, 1.1.2 (5), (6) - FSE
Enhancement by the General Provisions for Processing of Transactions incl. the regulation for US Withholding Tax	Details for processing are currently not explicitly mentioned for Eurex Exchanges. Simplification for Eurex Bonds, Eurex Repo, and FSE, the specific regulation is deleted within each section.	Enhancement for Eurex Exchanges Rearrangement of existing rules for remaining markets, rules for ISE are not affected	III, 2.2 – Eurex Bonds IV, 2.2 – Eurex Repo V, 2.1.1 - FSE

Intended Change	Comment	Type of Change	Current Reference
Enhancement by the regulation regarding Gross Delivery Management	Gross Delivery Management shall be implemented as a new functionality for Eurex Exchanges with the introduction of CCP 3.1 (cp. chapter 4). Simplification for Eurex Bonds, Eurex Repo, and FSE, the specific regulation is deleted within each section.	Enhancement for Eurex Exchanges Rearrangement of existing rules for remaining markets, rules for ISE are not affected	III, 2.6 – Eurex Bonds IV, 2.8 – Eurex Repo V, 2.1.2 – FSE
Enhancement by the calculation procedure for deliveries resulting from Eurex Exchanges products	Margin for physical deliveries shall be calculated according the cash market procedures	Enhancement for Eurex Exchanges Rearrangement of existing rules for remaining markets, rules for ISE are not affected	I, 1.3.2
Enhancement by the regulations for Corporate Actions	Newly introduced process for equity style products with physical delivery from Eurex Exchanges because of corporate action processing for deliveries according the existing rules for FSE. The specific regulation is deleted with section V	Enhancement for Eurex Exchanges Rearrangement of existing rules for FSE	V, 2.1.6

5.2 Chapter II, Transactions at Eurex Deutschland and Eurex Zürich AG

Intended Change	Comment	Type of Change	Current Reference
Enhancement by general provisions referring to Chapter I for the generally valid part and containing additional requirements for the clearing license only valid for Chapter II ▪ Cash account at BBK and SNB/SIC, payments in foreign currencies ▪ Evidence of functional and technical access to the GDM ▪ Evidence of at least one back office employee with a completed clearer test ▪ Evidence can also be	Resulting from the newly introduced structure special regulations for Eurex Exchanges are quoted within this section.	Enhancement for Eurex Exchanges	-

Intended Change	Comment	Type of Change	Current Reference
provided by a Settlement Institution			
Replacement of "…commissioning of the respective bank for central depository of securities or the custodian or central security depository" by "Gross Delivery Management"	With the introduction of CCP 3.1 delivery management is transferred from CBF and SIS to the CCP service of ECAG	Enhancement for Eurex Exchanges	II, 1.3.1, last paragraph
Replacement of "…the contract per contract…" by "…delayed delivery…"	With the introduction of CCP 3.1 late delivery management is processed within the CCP service hence bond deliveries must be considered instead of contracts	Enhancement for Eurex Exchanges	II, 1.3.6 (5), 1st and 2nd bullet
Replacement of "…commissioning of the respective bank for central depository of securities or the custodian or central security depository" by "Gross Delivery Management"	With the introduction of CCP 3.1 delivery management is transferred from CBF and SIS to the CCP service of ECAG	Enhancement for Eurex Exchanges	II, 1.5.1, last paragraph
Replacement of the existing buy-in regulation by a general regulation to be added within Chapter I	With the introduction of CCP 3.1 the buy-in is harmonized for all equity style products and described within Chapter I	Enhancement for Eurex Exchanges	II, 1.5.5 (2)
Replacement of the existing	With the introduction of CCP 3.1 the contractual	Enhancement for Eurex Exchanges	II, 1.5.5 (5)

Intended Change	Comment	Type of Change	Current Reference
regulation regarding a contractual penalty by the buy-in processing and the according fees by general regulation to be added within Chapter I	penalty is replaced		
Replacement of "…commissioning of the respective bank for central depository of securities or the custodian or central security depository" by "Gross Delivery Management"	With the introduction of CCP 3.1 delivery management is transferred from CBF and SIS to the CCP service of ECAG	Enhancement for Eurex Exchanges	II, 2.5.1, last paragraph
Replacement of the existing buy-in regulation by a general regulation to be added within Chapter I	With the introduction of CCP 3.1 the buy-in is harmonized for all equity style products and described within Chapter I	Enhancement for Eurex Exchanges	II, 2.5.7 (2)
Replacement o f the existing regulation regarding a contractual penalty by the buy-in processing and the according fees by general regulation to be added within Chapter I	With the introduction of CCP 3.1 the contractual penalty is replaced	Enhancement for Eurex Exchanges	II, 2.5.7 (5)
Replacement of "…commissioning of the respective bank for central depository of securities or the	With the introduction of CCP 3.1 delivery management is transferred from CBF and SIS to	Enhancement for Eurex Exchanges	II, 2.6.1, last paragraph

Intended Change	Comment	Type of Change	Current Reference
custodian or central security depository" by "Gross Delivery Management"	the CCP service of ECAG		
Replacement of the existing buy-in regulation by a general regulation to be added within Chapter I	With the introduction of CCP 3.1 the buy-in is harmonized for all equity style products and described within Chapter I	Enhancement for Eurex Exchanges	II, 2.6.7 (2)
Replacement o f the existing regulation regarding a contractual penalty by the buy-in processing and the according fees by general regulation to be added within Chapter I	With the introduction of CCP 3.1 the contractual penalty is replaced	Enhancement for Eurex Exchanges	II, 2.6.7 (5)

5.3 Chapter III, Transactions at Eurex Bonds GmbH

Intended Change	Comment	Type of Change	Current Reference
Enhancement by general provisions referring to Chapter I for the generally valid part and containing additional requirements for the clearing license only valid for Chapter III ▪ Evidence of functional and	Resulting from the newly introduced structure special regulations for Eurex Bonds are quoted within this section.	Enhancement for Eurex Bonds	-

Intended Change	Comment	Type of Change	Current Reference
technical access to the systems of ECAG ▪ Conclusion of a contract with ECAG for usage of Gross Delivery Management Evidence can also be provided by a Settlement Institution			
Provision regarding GDM is regulated in Chapter I	Provision regarding GDM is completely mentioned in Chapter I since all deliveries executed via ECAG, except ISE, are processed via the CCP service	Rearrangement of existing rules for remaining markets, rules for ISE are not affected	-

5.4 Chapter IV, Transactions at Eurex Repo GmbH

Intended Change	Comment	Type of Change	Current Reference
Enhancement by general provisions referring to Chapter I for the generally valid part and containing additional requirements for the clearing license only valid for Chapter IV ▪ Evidence of functional and	Resulting from the newly introduced structure special regulations for Eurex Repo are quoted within this section.	Enhancement for Eurex Bonds	-

Intended Change	Comment	Type of Change	Current Reference
technical access to the systems of ECAG ▪ Conclusion of a contract with ECAG for usage of Gross Delivery Management Evidence can also be provided by a Settlement Institution			
Provision regarding GDM is mentioned in Chapter I,	Provision regarding GDM is completely mentioned in Chapter I since all deliveries executed via ECAG, except ISE, are processed via the CCP service	Rearrangement of existing rules for remaining markets, rules for ISE are not affected	-

5.5 Chapter V, Transactions Concluded at the Frankfurt Stock Exchange

Intended Change	Comment	Type of Change	Current Reference
Enhancement by general provisions referring to Chapter I for the generally valid part and containing additional requirements for the clearing license only valid for Chapter V ▪ Evidence of functional and	Resulting from the newly introduced structure special regulations for FSE are quoted within this section.	Enhancement for FSE	-

Intended Change	Comment	Type of Change	Current Reference
technical access to the systems of ECAG incl. the Gross Delivery Management ▪ Authorization to use the securities lending facility offered by Clearstream Banking Frankfurt Evidence can also be provided by a Settlement Institution			
Provision regarding GDM is mentioned in Chapter I	Provision regarding GDM is completely mentioned in Chapter I since all deliveries executed via ECAG, except ISE, are processed via the CCP service	Rearrangement of existing rules for remaining markets, rules for ISE are not affected	-