Deutsche Börse

DTB
Deutsche Terminbörse

Derivatives Market

Börsenplatz 7-11
60313 Frankfurt/Main

Mailing address
60284 Frankfurt/Main

Phone
+49 69-21 01-1220
Fax
+49 69-21 01-4345

Internet
http://www.exchange.de

To all
members of
DTB Deutsche Terminbörse

1. Amendment of Conditions for Trading at the Deutsche Terminbörse and Clearing Conditions for Trading at the Deutsche Terminbörse

Circular No. 15/98

13. October 1998

Dear Sir/Madam,

Following a recommendation by the Working Group Trading (Equity/Index Products) the Board of Management of DTB Deutsche Terminbörse and the Executive Board of Deutsche Börse AG resolved at its meeting of February 17, 1998 the following:

1. **Amendment of Conditions for Trading at the Deutsche Terminbörse and Clearing Conditions for Trading at the Deutsche Terminbörse of the DTB index products DAX Future and MDAX Future**

Final settlement price according to No. 2.1.3.1/2.1.5.1 paragraph 2 of the Conditions for Trading at the Deutsche Terminbörse

current: Value of the DAX/MDAX on the final settlement day, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX/MDAX

future: Value of the DAX/MDAX on the final settlement day, the basis of which are the auction prices of the intra-day auction determined by the Board of Management fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA) of the securities comprising the DAX/MDAX*

General Manager:
Dr. Werner G. Seifert
Jürgen Blitz
Reto Francioni
Dr. Jörg Franke
Paul Gerbecks

Settlement price according to No. 2.1.3.1/2.1.5.1 paragraph 3 of the Conditions for Trading at the Deutsche Terminbörse

current: Final value of the DAX/MDAX, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX/MDAX

future: Final value of the DAX/MDAX, the basis of which are the auction prices of the intra-day auction determined by the Board of Management fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA) of the securities comprising the DAX/MDAX*

Term, Close of Trading according to No. 2.1.3.2/2.1.5.2 paragraph 2 of the Conditions for Trading at the Deutsche Terminbörse

current: The last trading day of a contract shall be the Exchange day prior to the final settlement day

future: The last trading day of a contract shall be the final settlement day. Trading shall close upon the start of the call phase of the intra-day auction in the electronic trading system of the Frankfurt Stock Exchange (XETRA) as determined by the Board of Management*

Term, Close of Trading according to No. 2.1.3.4/2.1.5.4 paragraph 1 of the Conditions for Trading at the Deutsche Terminbörse

current: The performance day shall be the second Exchange day after the last trading day of the contract

future: The performance day shall be the Exchange day after the last trading day of the contract*

Final settlement price according to No. 2.1.3.4/2.1.5.4 paragraph 2 of the Clearing Conditions for Trading at the Deutsche Terminbörse

current: Value of the DAX/MDAX on the final settlement day, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX/MDAX

future: Value of the DAX/MDAX on the final settlement day, the basis of which are the auction prices of the intra-day auction determined by the Board of Management fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA) of the securities comprising the DAX/MDAX*

*) Such method does not apply to option series already introduced, the term of which ends in the course of 1998 and option series, which will be introduced in the future, the term of which ends in the course of 1998. For these contracts the old methods shall be used. In addition thereto, the following shall apply to other option series: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the old methods shall be used until the start of production of Xetra Release 3.

In practical terms, this will result in the following handling:

Expiration month	DAX Option	DAX Future MDAX Future
All 1998 expiry months	Old method (FWB)	
January 1999 until May 1999	New method (Xetra)	
June 1999	Old method (FWB)	New method (Xetra)
all expiry months from July 1999 onwards	New method (Xetra)	

The changes will become effective immediately upon approval of the Exchange Council and publication in the *Börsen-Zeitung* on March, 23rd, 1998. We have enclosed the amended versions of the Conditions for Trading at the Deutsche Terminbörse and of the Clearing Conditions for Trading at the Deutsche Terminbörse.

Please do not hesitate to contact Markus Löw (telephone +49 69-21 01-50 71), Jochen Sawitzki (telephone +49 69-21 01-52 15) or Dirk Schermoly (telephone +49 69-21 01-56 58) for any questions you may have.

With best wishes

Reto Francioni Edward Backes

2 Part

Contract Specifications

2.1 Subpart

Contract Specifications for Futures Contracts

2.1.3 Sub-Subpart

Specifications for Futures Contracts on the German Stock Index (DAX Futures)

2.1.3.1 Subject Matter of Contract

(1) A DAX Future is a futures contract on the German Stock Index (DAX). The publications of the Frankfurt Stock Exchange shall determine the composition, weighting and calculation of the DAX. The value of a contract shall be DM 100 per index point.

(2) After the close of trading in the contract, the seller of a DAX Future shall pay in cash any difference between the agreed price and the higher final settlement price. The purchaser of a DAX Future shall pay in cash any difference between the agreed price and the lower final settlement price. The final settlement price shall be determined by Deutsche Börse AG on the final settlement day for a contract (subsection 2.1.3.2 paragraph (2) sentence 2) based on the value of the DAX ~~on such date, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX~~ on the basis of the auction prices for the securities comprising the DAX of the intra-day auction determined by the Board of Management fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA).*

(3) If any changes are made in the calculation of the DAX or its composition or weighting such that the concept of the DAX appears to be no longer comparable with the concept that applied when a futures contract was admitted to trading, the Board of Management may order the termination of trading in such contract as of the last Exchange day prior to the change in the DAX. Open positions shall be settled in cash upon the termination of trading; the final value of the DAX, calculated on the basis of ~~the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX~~ the auction prices for the securities comprising the DAX of the intra-day auction determined by the Board of Management fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA) , shall be used. New contracts shall be introduced in accordance with subsection 2.1.3.2. *

* Such method of calculation does not apply to contracts already introduced, the term of which end in 1998, and not to those contracts which will be introduced in the future, the term of which ends in 1998. With respect to the calculation of the final settlement price (para. 2) of such contracts the value of the DAX on such date, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX shall be used. With respect to the settlement price (para. 3) of such contracts the final value of the DAX, calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX, shall be used. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the final settlement price and the cash settlement price shall continue to be calculated on the final settlement day on the basis of the final value of the DAX on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX until the start of production of Xetra Release 3.

2.1.3.2 Term, Close of Trading

(1) Terms expiring on the final settlement day of the next, next succeeding and second succeeding quarter-end months (March, June, September and December) are available for trading at the Exchange. The longest term of a contract is thus nine months.

(2) The last trading day of a contract shall be the ~~Exchange day prior to the~~ final settlement day. The final settlement day shall be the third Friday of the relevant quarter-end month; provided, however, that if such Friday is not an Exchange day, the last Exchange day prior to such Friday shall be the final settlement day. Trading shall close upon the start of the call phase of the intra-day auction in the electronic trading system of the Frankfurt Stock Exchange (Xetra) as determined by the Board of Management.*

* Paragraph 2 sentence 1 and 3 does not apply to contracts already introduced, the term of which ends in 1998, and not to those contracts which will be introduced in the future, the term of which ends in 1998. With respect to these contracts the last trading day shall be the Exchange day prior to the final settlement day. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the last trading day shall continue to be the Exchange day prior to the final settlement day until the start of production of Xetra Release 3.

2.1.3.3 Price Gradations

The prices of the contracts shall be quoted in index points with one decimal place. The minimum change in price ("Tick") shall be 0.5 index points (DM 50).

2.1.3.4 Performance, Cash Settlement

(1) The performance day shall be the ~~second~~ Exchange day after the last trading day of the contract. *

(2) Contracts shall be performed by cash settlement between Clearing Members and Deutsche Börse AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

* Such method does not apply to contracts already introduced, the term of which ends in 1998, and not to those contracts, which will be introduced in the future, the term of which ends in 1998. With respect to these contracts the second Exchange day after the last trading day shall be the performance day. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the performance day shall continue to be the second Exchange day after the final settlement day until the start of production of Xetra Release 3.

2 Part

Contract Specifications

2.1 Subpart

Contract Specifications for Futures Contracts

2.1.5 Sub-Subpart

Specifications for Futures Contracts on the Midcap DAX (MDAX-Future)

2.1.5.1 Subject Matter of Contract

(1) An MDAX Future is a futures contract on the Midcap DAX (MDAX). The publications of the Frankfurt Stock Exchange shall determine the composition, weighting and calculation of the MDAX. The value of a contract shall be DM 10 per index point.

(2) After the close of trading in the contract, the seller of an MDAX future shall pay in cash any difference between the agreed price and the higher final settlement price. The purchaser of an MDAX future shall pay in cash any difference between the agreed price and the lower final settlement price.

The final settlement price shall be determined by Deutsche Börse AG on the final settlement day for a contract (subsection 2.1.5.2 paragraph (2) sentence 2) based on the value of the MDAX ~~on such date, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX~~ on the basis of the auction prices for the securities comprising the MDAX of the intra-day auction determined by the Board of Management fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA).*.

(3) If any changes are made in the calculation of the MDAX or its composition or weighting such that the concept of the MDAX appears to be no longer comparable with the concept that applied when a futures contract was admitted to trading, the Board of Management may order the termination of trading in such contract as of the last trading day prior to the change in the MDAX. Open positions shall be settled in cash upon the termination of trading; the final value of the MDAX, calculated on the basis of ~~the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX~~ the auction prices for the securities comprising the MDAX of the intra-day auction determined by the Board of Management fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA), shall be used. New contracts shall be introduced in accordance with subsection 2.1.5.2.*

* Such method of calculation does not apply to contracts already introduced, the term of which end in 1998, and not to those contracts which will be introduced in the future, the term of which ends in 1998. With respect to the calculation of the final settlement price (para. 2) of such contracts the value of the MDAX on such date, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX shall be used. With respect to the settlement price (para. 3) of such contracts the final value of the MDAX, calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX, shall be used. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the final settlement price and the cash settlement price shall continue to be calculated on the final settlement day on the basis of the final value of the MDAX on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX until the start of production of Xetra Release 3.

2.1.5.2 Term, Last Trading Day

(1) Terms expiring on the final settlement day of the next, next succeeding and second succeeding quarter-end months (March, June, September, December) are available for trading at the Exchange. The longest term of a contract is thus nine months.

(2) The last trading day of a contract shall be the ~~trading day prior to the~~ final settlement day. The final settlement day shall be the third Friday of the relevant quarter-end month; provided, however, that if such Friday is not a trading day, the last trading day prior to such Friday shall be the final settlement day. Trading shall close upon the start of the call phase of the intra-day auction in the electronic trading system of the Frankfurt Stock Exchange (Xetra) as determined by the Board of Management.*

* Paragraph 2 sentence 1 and 3 does not apply to contracts already introduced, the term of which ends in 1998, and not to those contracts which will be introduced in the future, the term of which ends in 1998. With respect to these contracts the last trading day shall be the Exchange day prior to the final settlement day. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the last trading day shall continue to be the Exchange day prior to the final settlement day until the start of production of Xetra Release 3.

2.1.5.3 Price Gradations

The prices of the contracts shall be quoted in index points with one decimal place. The minimum change in price ("Tick") shall be 0.5 index points (DM 5).

2.1.5.4 Performance, Cash Settlement

(1) The performance day shall be the ~~second~~ Exchange trading day after the last trading day of the contract.*

(2) Contracts shall be performed by cash settlement between Clearing Members and the Deutsche Börse AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

* Such method does not apply to contracts already introduced, the term of which ends in 1998, and not to those contracts, which will be introduced in the future, the term of which ends in 1998. With respect to these contracts the second Exchange day after the last trading day shall be the performance day. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the performance day shall continue to be the second Exchange day after the final settlement day until the start of production of Xetra Release 3.

2 Part

Settlement of Transactions

2.1 Subpart

Settlement of Futures Contracts

2.1.3 Sub-Subpart

Settlement of Futures Contracts on the German Stock Index (DAX Futures)

2.1.3.1 General Provisions

(1) Deutsche Börse AG shall be a contracting party to all payments arising out of the settlement of DAX futures contracts.

(2) Clearing Members must fulfill their payment obligations in accordance with the instructions of Deutsche Börse AG.

(3) The following shall apply to the procedures for payment pursuant to paragraph (1): All payments shall be made directly between the Clearing Members through the LZB on the Exchange day following the final settlement day. If no trading occurs on the Exchange on a day on which banks are open for business, such day shall count for purposes of calculating time periods and may be a settlement day. All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in the Clearing Institution's account with the LZB.

2.1.3.2 Daily Settlement

(1) For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be credited or debited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Exchange day.

(2) The daily settlement price shall be determined on the basis of the prices of the last transaction entered into during the final 15 minutes of trading on an Exchange day. If it is not possible to determine a price pursuant to the above provision, or if the price so deter-mined does not reflect the true market conditions, Deutsche Börse AG shall fix the settlement price.

(3) Paragraph (1) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their affiliated Non-Clearing Members mutatis mutandis.

2.1.3.3 Collateral Requirements

(1) The basic provisions for the collateral and margin requirements are set forth in subsections 1.3.1 to 1.3.5.

(2) The provisions of subsection 2.1.1.3 shall apply mutatis mutandis.

2.1.3.4 Performance

(1) Open positions from the last trading day of a contract shall be balanced on the final settlement day by means of a net payment credited to or debited from the internal cash clearing account of the Clearing Member. Such payment shall equal the difference between the final settlement price of such contract and such contract's daily settlement price (subsection 2.1.3.2) on the Exchange day preceding the last trading day.

(2) The final settlement price shall be determined by Deutsche Börse AG on the final settlement day for a contract based on the value of the DAX on such day, which will be calculated on the basis of the ~~opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX~~ auction prices for the securities comprising the DAX of the intra-day auction determined by ~~the Board of Management~~ Deutsche Börse AG fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA).*

* Such method of calculation does not apply to contracts already introduced, the term of which ends in 1998, and not to those contracts which will be introduced in the future, the term of which ends in 1998. With respect to the calculation of the final settlement price of such contracts the value of the DAX on such date, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX, shall be used. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the final settlement price shall continue to be calculated on the final settlement day on the basis of the final value of the DAX on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the DAX until the start of production of Xetra Release 3.

2.1.3.5 Default in Payment

(1) In the event that any payment to Deutsche Börse AG is not made in a timely manner, Deutsche Börse AG will charge the defaulting Clearing Member a contractual penalty for each day of default. Deutsche Börse AG may waive such penalty in cases where such default in payment does not exceed one Exchange day. The contractual penalty shall be calculated as a specified percentage, announced by Deutsche Börse AG in advance, of the overdue amount; such percentage shall be based on money-market rates prevailing in the market. Deutsche Börse AG will set a minimum amount for the contractual penalty. Notwithstanding the assessment of any such penalty, Deutsche Börse AG will, in each case of delayed payment, assess a handling fee on the basis of its fee schedule as from time to time in effect.

(2) In the event that a payment is not made through Deutsche Börse AG in a timely manner, the Clearing Member entitled to such payment may demand payment of a contractual penalty, determined in accordance with paragraph (1), from Deutsche Börse AG; provided that Deutsche Börse AG has claimed a contractual penalty from the defaulting Clearing Member in accordance with paragraph (1).

(3) Deutsche Börse AG has the right to charge a contractual penalty even if it accepts a delayed payment without explicitly reserving such right.

(4) The right to claim further damages shall remain unaffected.

Additions are marked by underlining, deletions are marked by strikethrough.

2 Part

Settlement of Transactions

2.1 Subpart

Settlement of Futures Contracts

2.1.5 Sub-Subpart

Settlement of Futures Contracts on the Midcap DAX (MDAX-Future)

2.1.5.1 General Provisions

(1) Deutsche Börse AG shall be a contracting party to all payme nts arising out of the settlement of MDAX futures contracts.

(2) Clearing Members must fulfill their payment obligations in accordance with the instructions of Deutsche Börse AG.

(3) The following shall apply to the procedures for payment pursuant to paragraph 1: All payments shall be made directly between the Clearing Members through the LZB on the trading day following the final settlement day. If no trading occurs on the Deutsche Terminbörse on a day on which banks are open for business, such day shall count for purposes of calculating time periods and may be a settlement day. All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in the Clearing Institution acount with the LZB.

2.1.5.2 Daily Settlement

(1) For each contract, profits and losses arising out of open positions on respective trading day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions of the previous trading day the amount to be credited or debited shall be calculated on the basis of the difference between the daily settlement prices of the contract in question on the relevant trading day and the previous trading day. For transactions on the relevant trading day, the amount to be credited or debited shall be calculated on the basis of the difference between the price of the transaction and the daily settlement price of the relevant trading day.

(2) The daily settlement price shall be determined on the basis of the prices of the last transaction entered into during the final 15 minutes of trading on a trading day. If it is not possible to determine a price pursuant to the above provision, or if the price having been determined according thereto does not reflect the true market conditions, Deutsche Börse AG shall fix the settlement price.

(3) Paragraph 1 shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their affiliated Non-Clearing Members mutatis mutandis.

2.1.5.3 Collateral Requirements

(1) The basic provisions for the collateral and margin requirements are set forth in subsections 1.3.1 to 1.3.5.

(2) The provisions of subsection 2.1.1.3 shall apply mutatis mutandis.

2.1.5.4 Performance

(1) Open positions from the last trading day of a contract shall be balanced on the final settlement day by means of a net payment credited to or debited from the internal cash clearing account of the Clearing Member. Such payment shall equal the difference between the final settlement price of such contract and such contract's daily settlement price (subsection 2.1.3.2) on the trading day preceding the last trading day.

(2) The final settlement price shall be determined by Deutsche Börse AG on the final settlement day for a contract based on the value of the MDAX on such day, which will be calculated on the basis of the ~~opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX~~ auction prices for the securities comprising the MDAX of the intra-day auction determined by ~~the Board of Management~~ Deutsche Börse AG fixed by the electronic trading system of the Frankfurt Stock Exchange (XETRA).*

* Such method of calculation does not apply to contracts already introduced, the term of which ends in 1998, and not to those contracts which will be introduced in the future, the term of which ends in 1998. With respect to the calculation of the final settlement price of such contracts the value of the MDAX on such date, which will be calculated on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX, shall be used. In addition thereto, the following shall apply to all other contracts: In the event of Xetra Release 3 not being in operation at the beginning of January 1999 at the latest, the final settlement price shall continue to be calculated on the final settlement day on the basis of the final value of the MDAX on the basis of the opening prices fixed by the Frankfurt Stock Exchange of the securities comprising the MDAX until the start of production of Xetra Release 3.

2.1.5.5 Default in Payment

(1) In the event that any payment to Deutsche Börse AG is not made in a timely manner, Deutsche Börse AG will charge the defaulting Clearing Member a contractual penalty for each day of default. Deutsche Börse AG may waive such penalty in cases where such default in payment does not exceed one trading day. The contractual penalty shall be calculated as a specified percentage, announced by Deutsche Börse AG in advance, of the overdue amount; such percentage shall be based on money-market rates customary in the market. Deutsche Börse AG will set a minimum amount for the contractual penalty. Notwithstanding the assessment of any such penalty, Deutsche Börse will, in each case of delayed payment, assess a handling fee on the basis of its fee schedule as from time to time in effect.

(2) In the event that a payment is not made through Deutsche Börse AG in a timely manner, the Clearing Member entitled to such payment may demand payment of a contractual penalty, determined in accordance with paragraph 1, from Deutsche Börse; provided that Deutsche Börse AG has claimed a contractual penalty from the defaulting Clearing Member in accordance with paragraph 1.

(3) Deutsche Börse AG has the right to charge a contractual penalty even if it accepts a delayed payment without explicitly reserving such right.

(4) The right to claim further damages shall remain unaffected.

Additions are marked by underlining, deletions are marked by strikethrough.