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EUREX 2.0 - Introduction of the "Historical Trade Transfer" Function ("HITT")
Circular No. 10/98

Dear Madam or Sir,

the "HITT - Historical Trade Transfer" functionality will be available with the introduction of EUREX Release 2.0 (September 1998). This extension of the system is particularly beneficial for users in the clearing and settlement areas.

Currently, "Trade Adjustments" are only possible on the day a trade is performed. The "HITT Functionality" will allow "Trade Adjustments" for trades perfomed on the previous trading day as well. In the future, for example, it will be possible to split trades performed on a "market on close" basis on the next day, by way of a "Trade Separation". The individual parts of the initial trade may then be transferred to the corresponding Clearing Brokers, using the give-up functionality.

Please refer to the enclosure for more functional details. Please do not hesitate to contact Mr. Stefan Engels on +49 69/2101 5921 if you have any questions.

Yours sincerely,

Jörg Franke Christian Klapproth

Enclosure

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Alignment of Adjustment Procedures

"HITT - Historical Trade Transfer"

Enclosure to Circular No. 10/98 dated March 04, 1998

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1 Introduction

Frequently, customers' instructions to Executing Brokers with respect to any split of trades, or the members to which individual parts of the initial trade must be transferred, are only received after the end of the Post-Trading Period.

The HITT Functionality permits users to carry out all types of "Trade Adjustments" for trades performed on the previous day as well. For this purpose, the corresponding trade will be transferred to the current day.

The introduction of this function is scheduled for EUREX Release 2.0.

2 Functional Description

2.1 Transaction Type

With the introduction of this functional enhancement, the new transaction type "003 - Historical Trade Transfer" will be available in the system. This transaction type allows the performance of HITT transactions and supplements the existing "Trade Adjustment" transaction types:

- "002 - Trade Open/Close Adjustment"
- "004 - Trade Account Transfer"
- "006 - Trade Separation"

2.2 Identification of a HITT

HITTs may be distinguished from other transactions by way of the TRAN-ID Suffix field: the reversal transaction is marked with an "**H**", and the new transaction with a "**N**".

2.3 Screens

After entering the new transaction type "003 - Historical Trade Transfer" and the selection of a trade on the "F050 - Clearing Instruction Selection" screen, when having confirmed, the system will change to the new "F100 - Historical Trade Transfer" screen.

This screen displays:

- the initial transaction, with the original date (previous day's date);
- the reversal transaction, with the current date;
- and the initial transaction, with the current date.

In the event of either confirmation or cancellation of this process, the system will automatically return to the "F050 - Clearing Instruction Selection" screen.

2.4 Reports

"Historical Trade Transfers" are included accordingly in the reports "CB010 - Position Detail" and "CB067 - Late Closing Fee".

2.5 Impact on "Zero Cost Quantity"

If the initial transaction has increased the zero cost quantity, in the event of a "Historical Trade Transfers", this quantity is transferred from the "Previous Potential" to the "Current Potential".

2.6 Impact on "Historical Give-Up/Take-Up" Function

The "Historical Give-Up/Take-Up" functionality will remain available in the system. However, please note that:

- "historical give-ups" with respect to trades which were transferred using the new functionality; as well as
- "HITTs" on historical take-ups

are not possible.

The possibility to carry out same-day give-ups and take-ups will remain unchanged; in addition, this will also be possible for HITT transactions.

2.7 Other Restrictions

The following restrictions must be observed regarding the performance and handling of "Historical Trade Transfers":

- HITTs are exclusively available for trades entered on the A1 account or the P accounts, respectively.
- During any exchange trading day, HITTs may be carried out up to the end of the Post-Trading Period.
- The HITT functionality can not be used on the first day of production of EUREX Release 2.0.
- The transfer of trades using the new functionality is restricted to one transfer only.
- Trades in matured or expired series or contracts, or trades in series which have been subject to a capital adjustment during the batch processing, cannot be transferred.
- The maximum number of used digits in the TRAN-ID Suffix in order to carry out a HITT and subsequently further process this trade, is 3.

- "to open" transactions are transferred if the number of transferred contracts do not exceed the current position; "to close" transactions may be transferred without restriction, unless a closing error has occurred.
- No multiple selection of trades is possible on the "F050 - Clearing Instruction Selection" screen in order to subsequently carry out HITTs.

2.8 Reporting Duties to the Federal Securities Supervisory Authority (BAWe)

Pursuant to §9 of the Securities Trading Act (*WpHG*), HITT transactions must be reported to the Federal Securities Supervisory Authority (*BAWe*).