X-pand into the Future

e u r e x *circular 013/02*

Date: Frankfurt, 04 February, 2002
Recipients: All Eurex members and vendors
Authorized by: Daniel Gisler

Description of the Intra-Day Margin Call Procedure

Contact: Functional Help-desk Clearing: Tel. +49 69-2101-1250

Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- Auditing / Security Coordination

Attachments: None

Summary:

In accordance with section 1.3.3 of the Clearing Conditions for Eurex Clearing AG, Eurex Clearing AG can demand from a Clearing Member, at any time of the trading day, a higher or supplementary margin (intra-day margin call). The circular describes the procedure after an intra-day margin call is made.

Eurex Clearing AG
D-60485 Frankfurt am Main
www.eurexchange.com

Functional Member Readiness
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Alternative
Tel. +49-69-9770-1700
Fax +49-69-9770-1701

Management Board:
Rudolf Ferscha, Daniel Gisler
Peter Reitz, Jürg Spillmann
Michael Widmer, Thomas Lenz (Deputy)

Description of the Intra-Day Margin Call Procedure

In accordance with section 1.3.3 of the Clearing Conditions for Eurex Clearing AG (Eurex Clearing Conditions) Eurex Clearing AG can demand from a Clearing Member, at any time of the trading day, a higher or supplementary margin (intra-day margin call). The procedure associated with an intra-day margin call is described below.

Following the decision of Eurex Clearing AG to make an intra-day margin call during a trading day, Eurex Clearing AG will inform the Clearing Member, by telephone and by fax, of the amount of the required margin and the time period by which the margin must be provided. The notice period will be defined by Eurex Clearing AG on an individual basis – the normal period is one hour.

Within this period the Clearing Member can transfer the required margin in cash in the appropriate clearing currency to the LZB or SNB account, or in securities to the pledged securities account at Clearstream Banking AG or SIS SegaInterSettle. If, by the end of the period, the Clearing Member has transferred no margin or an insufficient amount, the missing margin amount must be produced in the clearing currency. Thereby, the procedure defined in section 1.3.4 of the Eurex Clearing Conditions is applicable, which means that Eurex Clearing AG will withdraw the amount via a direct debit on the member's LZB current account or SIC settlement account respectively. The instructions submitted by Eurex Clearing AG will have the highest priority, i.e. "Clearingstufe 2" at LZB or Priority A5 at SNB or their SIC system. Should the margin requirements decrease again during the course of the day, supplementary levied margin will be refunded in cash by the start of the next Exchange day.

Pursuant to section 1.3.3 of the Eurex Clearing Conditions, a Clearing Member also has the right to issue an intra-day margin call to one of its associated Non-clearing Members, based on a risk assessment made during the trading day.

Pursuant to section 1.3.1(5) of the Eurex Clearing Conditions, General Clearing Members or Direct Clearing Members must require their Non-clearing Members to provide margin in an amount at least equal to that determined by the calculation method used by Eurex Clearing AG. Following an intra-day margin call, it is therefore necessary that the Clearing Member evaluates the current position of its Non-clearing Members in this way, and supplementary margin should be demanded in the event of shortage of cover.

Frankfurt, 04 February, 2002

Eurex Clearing AG
D-60485 Frankfurt am Main
www.eurexchange.com

Functional Member Readiness
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Management Board:
Rudolf Ferscha, Daniel Gisler
Peter Reitz, Jürg Spillmann
Michael Widmer, Thomas Lenz (Deputy)