e u r e x *circular 31/99*

To: All Eurex members and vendors

Date: Frankfurt, 16th April 1999

Holiday Regulation for 3rd June 1999 / Trading day for Swiss Products

Dear Sir or Madam,

Following the decision of the board of Deutsche Börse AG on 22nd December 1998, the holiday regulation for German products as from July 1999 was established. The statutory holidays Ascension Day, Whit Monday, Corpus Christi, and the Day of German Unity were designated as trading days (non-holidays) on the Frankfurt Stock Exchange (FWB) and on Xetra. The Eurex executive board also adopted this regulation.

In this year, because the regulation is effective only after July 1999, Corpus Christi (3rd June 1999) will be a trading holiday in Germany, but not in Switzerland. According to the Eurex Regulations (Clearing Conditions, section 1.2.4) Eurex exchange trading days are those days defined by the executive boards of Eurex.

Based on the decision of the board of Eurex and by arrangement with the Eurex Working Group – Clearing, products denominated in Swiss Francs (Swiss Products) will be tradable for all members on 3rd June 1999. No euro-denominated products will be tradable on that day.

1. Procedures for 3rd June 1999 (Corpus Christi)

1.1 Trading in Swiss Products

Swiss products can be traded as normal throughout the day. There are no related restrictions, which means that historical transaction, Exercises, Give-Ups, Take-ups, Position Transfers, or Adjustments can be carried out.

1.2 Trading in Non-Swiss Products

No trading will be possible in non-Swiss products. Neither will historic transactions be possible on these products, and no Exercises, Give-Ups, Take-ups, Position Transfers or Adjustments can be performed.

1.3 Trading Members

All trading members will have access to the Eurex system and will be able to trade Swiss options and futures.

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1.4 Euro Payments from German Clearing Members

The cash-calls calculated in euro from the overnight batch processing of 2nd June 1999 (Premium, Variation Margin) will not be debited or credited to the members' cash accounts at the LZB Hessen Frankfurt (LZB) on Corpus Christi (3rd June 1999). The amounts will be transferred one day later, on Friday 4th June 1999, by debit or credit to the cash accounts at the LZB.

Contrary to the cash calls described above, Margin Calls from the batch of 2nd June 1999 due in euro at the LZB will be booked to the cash accounts on the day of Corpus Christi. For this, Clearing Members are requested to deposit the required collateral in good time. Should a Margin Call be made, the required amount will be transmitted to the LZB on Corpus Christi and debited from the cash account. The Eurex Default procedure, following section 1.7 of the Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich, will be applied in case of default.

If there are any Initial Margin cash amounts resulting from the overnight batch on 3rd June 1999, they will be transferred to the LZB and credited or debited to the members cash accounts on 4th June. Consequently, on Friday 4th June 1999 the LZB can receive two payment instructions, from the batches of 2nd June, and 3rd June 1999.

1.5 CHF Payments from German Clearing Members

The CHF payments due from the batch of 2nd June 1999 will be placed on the SIC accounts on 3rd June. On request, the Eurex Clearing House can support German Clearing Members in procurement of CHF against corresponding euro amounts. The Eurex Default procedure, following section 1.7 of the Eurex Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich, will be applied in case of default.

The required CHF payments on Corpus Christi from the batch of 2nd June 1999, which may have been paid by German Clearing Members in euro, must be paid back on Friday 4th June 1999. As soon as the CHF amount appears or is offset on Friday 4th June, the remainder of the euro amount can be refunded. If Swiss products are traded by German Clearing Members or their NCMs on Corpus Christi, premiums and variation margins will be due on Friday 4th June 1999, as normal. Thus it can happen that German Clearing Members can receive two CHF payment instructions on Friday 4th June.

1.6 Payments from Swiss Clearing Members

Cash calls calculated in Swiss Francs in the overnight processing of 2nd June 1999 (Premium, Variation Margin) will be booked in the SIC system on 3rd June, as any other normal trading day, with a value date of 3rd June 1999. Insofar as the required amount is available in the night from trading the previous day, it will be debited. Credits to members will be made at 09.00 as usual, on Corpus Christi. The euro payments due from the batch of 2nd June 1999 cannot be debited or credited at the LZB on Corpus Christi. Euro payments will be credited or debited one day later, i.e. Friday 4th June 1999. Euro-denominated products will not be traded on Corpus Christi (no Premium or Variation Margin), so on Friday 4th June 1999, the LZB will get only one payment instruction from the batch of 2nd June 1999 for Swiss Clearing Members.

1.7 DBC Deliveries

DBC will be closed on Corpus Christi, so that delivery instructions, including those for cross-border transactions, cannot be executed. The deliveries from exercise/assignment will be settled plus one day, whereby Eurex will take the previous value dates into account manually. For all due deliveries on 3rd June

1999, i.e. for settlement from 1st June, and 2nd June, the value date will be extended by one day. The value dates on the Eurex reports cannot be corrected and therefore will be taken into account manually by Eurex.

Monday 31.05.99	**Tuesday 01.06.99**	**Wednesday 02.06.99**	**Thursday 03.06.99**	**Friday 04.06.99**	**Monday 07.06.99**	**Tuesday 08.06.99**
	Exercise and Assignment D-Products Day T	Day T+1	Plus 1 Day Day T+2	**Delivery at DBC Day T+3**		
		Exercise and Assignment D-Products Day T	Day T+1	Plus 1 Day Day T+2	**Delivery At DBC Day T+3**	
			Exercise D-Products Not possible			
				Exercise and Assignment D-Products Day T	Day T+1	**Delivery at DBC Day T+2**

1.8 SEGA Deliveries

SEGA will be open on 3rd June 1999, so that delivery instructions, with the exception of cross-border transactions, between Swiss Clearing Members can be carried out as normal. The exercise and assignment of cross-border instructions will be settled plus one day, whereby Eurex will take the previous value dates into account manually. The exercises from Wednesday 2nd June and Thursday 3rd June will be delivered on the same day. The value dates on the Eurex reports cannot be corrected and therefore will be taken into account manually by Eurex.

Monday 31.05.99	**Tuesday 01.06.99**	**Wednesday 02.06.99**	**Thursday 03.06.99**	**Friday 04.06.99**	**Monday 07.06.99**	**Tuesday 08.06.99**
Exercise and Assignment CH-Products Day T	Day T+1	Day T+2	Plus 1 Day	**Delivery at Sega Day T+4**		
	Exercise and Assignment CH-Products Day T	Day T+1	Day T+2	Plus 1 Day	**Delivery at Sega Day T+4**	
		Exercise and Assignment CH-Products Day T	Day T+1	Day T+2	Plus 1 Day	**Delivery at Sega Day T+4**
			Exercise and Assignment CH-Products Day T	Day T+1	Day T+2	**Delivery at Sega Day T+3**

1.9 Margin Calculation

We would like to bring to your attention that the Eurex Clearing house will carry out the Margin calculations for German and Swiss products on June 3rd. For German products Additional Margin will be calculated, even

though no products can be traded. It is foreseen that on Corpus Christi, the settlement prices from the previous day (2nd June 1999) will be taken, whereby the 'days to expiration' value will be reduced by one day. The theoretical prices for all products will be re-calculated. The theoretical prices for the non-Swiss products will show minimal changes as a result of the holiday.

2. BOF Files

On 3rd June 1999, a complete BOF file will be sent to all members, (as any normal day).

3. The Day Following Corpus Christi – Friday 4th June 1999

3.1 Trading in non-Swiss products

On Friday 4th June 1999, all non-Swiss products can be traded again. However, no historical transactions can be undertaken.

3.2 LZB Payments

As already indicated, LZB may have two invoices or payment advices on Friday 4th June for German Clearing members from the Eurex batches of 2nd June and 3rd June 1999. Possible Margin Calls resulting from positions from 2nd June will be taken into account. Swiss Clearing members will have one invoice or payment advice from the batch of 2nd June 1999. We would ask you to take this into account in your calculations in euro.

3.3 Open Delivery Instructions, including Cross-border, at DBC

On Friday 4th June 1999, DBC will resume operation, so that delivery instructions between German Clearing members can be carried out. Equally, Cross-border deliveries in Swiss products from the exercise of 31st May 1999 can take place.

3.4 Open SEGA Cross-border Deliveries

The open Cross-border deliveries in German products from the exercise of 1st June 1999, can be carried out by Swiss Clearing members.

For further information, or if you have any questions, please contact Robert Orth on Tel. +49-(0)69-2101-5032 or Ernst Karbe on Tel. +41-(0)1-229-2470

Yours sincerely,

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Hartmut Klein

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