X-pand into the Future

e u r e x *circular 042/02*

Date: Frankfurt, 24 May, 2002
Recipients: All Eurex members and vendors
Authorized by: Jürg Spillmann

⚠ **High Priority**

1. Back-end Release Eurex 5.1
2. Additional Securities for Eurex Repo Trading

Related Eurex Circulars: 040/02

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Content may be most important for:	**Attachments:**
➲ All Departments	Update to Clearing Conditions of Eurex Clearing AG

1. On Monday 27, May, 2002 Eurex will introduce Release 5.1 of the Eurex system. This is a back-end release only, and no installation actions are required on the member side.

   Release 5.1 includes enhancements which support the new Intraday Risk Information Services (EurexIRIS) to be offered by Eurex Clearing AG. Our web-site "www.eurexchange.com" at the location 'entrance hall > publications > brochures' contains an explanatory brochure about the service, including a fax reply form for interested members to request further information.

   The new release also incorporates the extended validations of orders in futures trading, which were announced in Circular 040/02.

   To ensure the integrity of the new release on the day of introduction, Eurex will perform an additional check of reports before distribution.

   Therefore, on 27 May, 2002 the distribution of Eurex reports and raw data files is likely to be delayed by approximately one hour.

2. Also with effect from 27 May, 2002 Eurex Repo GmbH will introduce clearing and settlement of trades concluded on the Eurex Repo system in a new category of instruments. These are public authorities bonds (e.g. Federal Government Bonds (Bundesanleihen), German State Bonds (Länderanleihen)) and bonds of corporations under public law (e.g. Reconstruction Loan Corporation (Kreditanstalt für Wiederaufbau)) of the Federal Republic of Germany which are denominated in euro.

   The updated section 2.1 of Chapter III of the Clearing Conditions of Eurex Clearing AG is attached.

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Clearing Conditions for Eurex Clearing AG

III Chapter: Clearing of Transactions through the System of Eurex Repo GmbH

2 Part: Settlement of Transactions through the System of Eurex Repo GmbH

2.1 Repo Transactions Concerned

(1) Eurex Clearing AG will realise the settlement or clearing of Repo Transactions (GC Repo and Special Repo) concluded through the System of Eurex Repo GmbH to the extent that the underlying securities of the respective Repo Transaction are settled by Eurex Clearing AG and the central depositories recognised by Eurex Clearing AG and that the prerequisites pursuant to paragraph (2) are fulfilled.

(2) Clearing or settlement by Eurex Clearing AG shall include all Repo Transactions (GC Repo and Special Repo) concluded through the System of Eurex Repo GmbH to the extent that the underlying securities are the following:

(a) Debt Securities of the Federal Republic of Germany or Treuhandanstalt denominated in Euro.

(b) Jumbo-Pfandbriefe (Jumbo mortgage bonds) of German issuers denominated in Euro with an issuance volume of at least EUR 500 million. Besides, these mortgage bonds must have been rated AA or higher pursuant to the rating agency Standard & Poor's Rating Services Inc. for "Senior Unsecured Debt", Aa2 or higher pursuant to the rating agency Moody's Investors Services Inc. for "Long-term Senior-Debt" or AA or higher pursuant to the rating agency Fitch Inc. for "International Long-Term Credit". Should the rating of these rating agencies differ, the lower valuation shall be applied.

(c) Public authorities bonds (e. g. Federal Government Bonds (Bundesanleihen), German State Bonds (Länderanleihen)) and bonds of corporations under public law (e. g. Reconstruction Loan Corporation (Kreditanstalt für Wiederaufbau)) of the Federal Republic of Germany which are denominated in Euro.