X-pand into the Future

# e u r e x *circular 006/05*

**Date:** Frankfurt, January 18, 2005
**Recipients:** All Eurex members and vendors
**Authorized by:** Peter Reitz

**High Priority**

## Increase of Minimum Issuing Volume of Deliverable Bonds in Euro-Bund, Euro-Bobl and Euro-Schatz Futures

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**Content may be most important for:**

- Front Office / Trading
- Middle + Back Office

**Attachments:**

1. Updated Sections of Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Updated Sections of Clearing Conditions for Eurex Clearing AG

In their sessions on January 12, 2005 the Management Boards of Eurex Deutschland and Eurex Zürich as well as the Executive Board of Eurex Clearing AG decided to increase the minimum issuing volume, which a bond must fulfil to be deliverable in Euro-Schatz, Euro-Bobl or Euro-Bund Future, from currently two billion euro to five billion euro with effect from **February 1, 2005.**

**[…]**

## 1.12 Subpart: Specifications for Futures Contracts on a Notional Long-Term Debt Security of the Federal Republic of Germany (Euro Bund Futures)

### 1.12.1 Subject Matter of Contract

(1) A Euro Bund Future is a futures contract on a notional debt security of the Federal Republic of Germany with a term of eight and one-half to ten and one-half years and a coupon of 6%. The par value of any such contract is EUR 100,000.

(2) After the close of trading in the contract, the seller of a Euro Bund Future shall be required to deliver debt securities with the nominal value of the contract. Delivery may be made with debt securities of the Federal Republic of Germany which have a remaining term of between 8.5 and 10.5 years. The debt securities must have a minimum issuance volume of ~~2~~5 billion EUR. The purchaser shall be required to pay the tender price. The tender price shall be equivalent to the nominal value of the contract, multiplied by the price of the contract at the close of trading in the contract, multiplied by the conversion factor for the debt securities tendered, plus interest accrued since the last interest payment date or, as applicable, minus the interest accrued to the next interest payment date to which the purchaser is not yet entitled.

**[…]**

## 1.13 Subpart: Specifications for Future Contracts on a Notional Medium-Term Debt Security of the Federal Republic of Germany (Euro BOBL Futures)

### 1.13.1 Subject Matter of Contract

(1) A Euro Bobl Future is a futures contract on a notional debt security of the Federal Republic of Germany with a term of four and one-half to five and one-half years and a coupon of 6%. The par value of any such contract is EUR 100,000.

(2) After the close of trading in the contract, the seller of a Euro Bobl Future shall be required to deliver debt securities with the nominal value of the contract. Delivery may be made with debt securities of the Federal Republic of Germany which have a remaining term of no more than five and one-half years and no less than four and one-half years. The debt securities must have a minimum issuance volume of ~~2~~5 billion EUR. The purchaser shall be required to pay the tender price. The tender price shall be equivalent to the nominal value of the contract, multiplied by the price of the contract at the close of trading in the contract, multiplied by the conversion factor for the debt securities tendered, plus interest accrued since the last interest payment date or, as applicable, minus the interest accrued to the next interest payment date to which the purchaser is not yet entitled.

**[…]**

## 1.14 Subpart: Specifications for Future Contracts on a Notional Short-Term Debt Security of the Federal Republic of Germany (Euro SCHATZ Futures)

### 1.14.1 Subject Matter of Contract

(1) A Euro Schatz Future is a futures contract on a notional debt security of the Federal Republic of Germany with a term of one and three-quarter to two and one-quarter years and a coupon of 6%. The par value of any such contract is EUR 100,000.

(2) After the close of trading in the contract, the seller of a Euro Schatz Future shall be required to deliver debt securities with the par value specified in the contract. Delivery may be made with debt securities of the Federal Republic of Germany which have on the delivery day a remaining term of one and three-quarter to two and one-quarter years. The debt securities must have a minimum issuance volume of ~~2~~5 billion EUR. The purchaser shall be required to pay the tender price. The tender price shall be equivalent to the par value of the contract, multiplied by the price of the contract at the close of trading in the contract, multiplied by the conversion factor for the debt securities tendered, plus interest accrued since the last interest payment date or, as applicable, minus the interest accrued to the next interest payment date to which the purchaser is not yet entitled.

**[…]**

**[…]**

# 2 Part: Settlement of Transactions at Eurex Deutschland and Eurex Zürich

## 2.1 Subpart: Settlement of Futures Contracts

**[…]**

### 2.1.12 Sub-Subpart: Settlement of Futures Contracts on a Notional Long-Term Debt Security of the Federal Republic of Germany (Euro Bund Futures)

2.1.12.4 Performance

(1) A delivery obligation arising out of a short position in a Euro Bund Futures contract may only be performed by the delivery of debt securities of the Federal Republic of Germany designated by Eurex Clearing AG with a remaining term of eight and one-half to ten and one-half years. The debt securities shall have a minimum issuance volume of EUR ~~2~~5 billion. Clearing Members with open short positions must notify Eurex Clearing AG between the close of trading and the end of the Post-Trading Full Period on the day that is two Exchange days before the tenth calendar day of a quarter-end month (the "Notice Day") which debt securities they will deliver. Any prior delivery notices may be amended until the end of such Post-Trading Full Period. If the delivery notice is not given in a timely manner, Eurex Clearing AG will select the debt securities to be delivered by such Clearing Member.

One day prior to the delivery day the Clearing Members must confirm to the clearing house in writing the actual availability of the debt securities which they have notified.

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### 2.1.13 Sub-Subpart: Settlement of Futures Contracts on a Notional Medium-Term Debt Security of the Federal Republic of Germany (Euro BOBL Futures)

2.1.13.1 General Provisions

The provisions of subsection 2.1.12.1 shall apply mutatis mutandis.

2.1.13.2 Daily Settlement

The provisions of subsection 2.1.12.2 shall apply mutatis mutandis.

2.1.13.3 Margin Requirements

The provisions of subsection 2.1.12.3 shall apply mutatis mutandis.

2.1.13.4 Performance

(1) A delivery obligation arising out of a short position in a Euro Bobl Futures contract may only be performed by the delivery of debt securities designated by Eurex Clearing AG.

Delivery may be made with debt securities of the Federal Republic of Germany which have a remaining term of four and one-half to five and one-half years. The debt securities shall have a minimum issuance volume of EUR ~~2~~5 billion.

Clearing Members with open short positions must notify Eurex Clearing AG after the close of trading but before the end of the Post-Trading Full Period on the date that is two Exchange days before the tenth calendar day of a quarter-end month (the "Notice Day") which debt securities they will deliver. Any prior delivery notices may be amended until the end of such Post-Trading Full Period. If the delivery notice is not given in a timely manner, Eurex Clearing AG will select the debt securities to be delivered by such Clearing Member.

One day prior to the delivery day the Clearing Members must confirm to the clearing house in writing the actual availability of the debt securities which they have notified.

(2) Eurex Clearing AG will, after the end of the Post-Trading Period on the Notice Day, allocate to the Clearing Members with open long positions the debt securities notified for delivery, using a selection procedure that ensures the neutrality of the allocation process. The Clearing Members will be informed on the next Exchange day as to which debt securities were allocated to them and at what tender price (subsection 1.13.1 paragraph (2) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich).

(3) Paragraphs (1) and (2) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their Non-Clearing Members; paragraph (2) shall apply mutatis mutandis to the legal relationship between Clearing Members or Non-Clearing Members, as the case may be, and their respective customers.

**[…]**

**2.1.14 Sub-Subpart:**
**Settlement of Futures Contracts on a Notional Short-Term Debt Security of the Federal Republic of Germany (Euro SCHATZ Futures)**

2.1.14.1 General Provisions

The provisions of subsection 2.1.12.1 shall apply mutatis mutandis.

2.1.14.2 Daily Settlement

The provisions of subsection 2.1.12.2 shall apply mutatis mutandis.

2.1.14.3 Collateral Requirements

The provisions of subsection 2.1.12.3 shall apply mutatis mutandis.

2.1.14.4 Performance

(1) A delivery obligation arising out of a short position in a Euro Schatz Futures contract may only be performed by the delivery of debt securities designated by Eurex Clearing AG.

Delivery may be made with debt securities of the Federal Republic of Germany which have on the delivery day a remaining term of one and three-quarter to two and one-quarter years. The issuance volume of the obligations shall amount to at least EUR ~~2~~5 billion.

Clearing Members with open short positions must notify Eurex Clearing AG between the close of trading and the end of the Post-Trading Full Period on the day that is two Exchange days before the tenth calendar day of a quarter-end month (the "Notice Day") which debt securities they will deliver. Any prior delivery notices may be amended until the end of such Post-Trading Full Period. If the delivery notice is not given in a timely manner, Eurex Clearing AG will select the debt securities to be delivered by such Clearing Member.

One day prior to the delivery day the Clearing Members must confirm to the clearing house in writing the actual availability of the debt securities which they have notified.

(2) Eurex Clearing AG will, after the end of the Post-Trading Period on the Notice Day, allocate to the Clearing Members with open long positions the debt securities notified for delivery, using a selection procedure that ensures the neutrality of the allocation process. The Clearing Members will be informed on the next Exchange day as to which debt securities were allocated to them and at what tender price (subsection 1.14.1 paragraph (2) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich).

(3) Paragraphs (1) and (2) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their Non-Clearing Members; paragraph (2) shall apply mutatis mutandis to the legal relationship between Clearing Members or Non-Clearing Members, as the case may be, and their respective customers.

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

**[...]**