X-pand into the Future

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Recipients: All Eurex members and vendors
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Clearing Conditions for Futures Contracts on the Dow Jones Italy Titans 30^{SM} Index

Related Eurex Circulars: 089/04

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Content may be most important for:	**Attachments:**
➲ Middle + Back Office	New Sub-Subpart 2.1.21: Settlement of Futures Contracts on the Dow Jones Italy Titans (Italy Titans Future)

As already communicated in Eurex Circular 089/04, futures contracts on the Dow Jones Italy Titans 30^{SM} Index will be able to be traded on the Eurex Exchanges from July 19, 2004.

The attachment to this circular contains the new Sub-Subpart 2.1.21 of the Clearing Conditions for Eurex Clearing AG, which describes the settlement of the new contracts. The amended Clearing Conditions also come into effect on **July 19, 2004**.

Please note that the product has been assigned to the DMIX margin group, thus enabling Cross Margining, for example, with index derivatives on the German and Swiss stock indexes, DAX® and SMI® as well as on the Dow Jones EURO STOXX^{SM} 50.

2.1.21 Sub-Subpart: Settlement of Futures Contracts on the Dow Jones Italy Titans (Italy Titans-Future)

2.1.21.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all payments arising out of the settlement of Dow Jones Italy Titans futures contracts.

(2) Clearing Members must fulfill their payment obligations in accordance with the instructions of Eurex Clearing AG.

(3) The following shall apply to the procedures for payment pursuant to paragraph (1): All payments shall be made directly between the Clearing Members via their accounts at a branch of the Central Bank of Germany on the Exchange day following the final settlement day. All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in their account at a branch of the Central Bank of Germany of the correspondent bank which has been instructed by the Clearing Member to handle the clearing of the contract.

2.1.21.2 Daily Settlement

(1) For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be credited or debited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Exchange day.

(2) As a matter of principle, the daily settlement price corresponds to the closing price as settled in the closing auction. If it is not possible to determine a closing price within the closing auction or if the price so determined does not reflect the true market conditions, the settlement price shall be determined on the basis of the price of the last transaction entered into on an Exchange day, provided that no more than 15 minutes have passed since this transaction. If it is not possible to determine a price pursuant to the above provision, or if the price so determined does not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price.

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

(4) For payments resulting from the daily settlement the provisions of subsection 2.1.10.1 shall apply mutatis mutandis.

2.1.21.3 Margin Requirements

(1) The basic provisions for the margin requirements are set forth in subsections 1.3.1 to 1.3.5.

(2) The provisions of subsection 2.1.1.3 shall apply mutatis mutandis.

2.1.21.4 Performance

(1) Open positions from the last trading day of a contract shall be balanced on the final settlement day by means of a net payment credited to or debited from the internal cash clearing account of the Clearing Member. Such payment shall equal the difference between the final settlement price of such contract and such contract's daily settlement price (subsection 2.1.10.2) on the Exchange day preceding the last trading day.

(2) The final settlement price shall be determined by Eurex Clearing AG on the final settlement day for a contract, which will be calculated on the basis of the prices for the securities and book-entry securities included in the DJ Italy Titans 30 in the opening auction fixed by the electronic trading system of the Borsa Italiana. If, on that day, no opening price shall be determined in one or several securities and book-entry securities Eurex Clearing AG shall fix the price in an appropriate way.

2.1.21.5 Default in Payment

Defaults or technical defaults in payment shall be subject to the provisions of subsection 1.7.1 paragraph (4) or subsection 1.7.2 paragraph (5) respectively.