X-pand into the Future

e u r e x *circular 103/04*

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Recipients: All Eurex members and vendors
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Global Clearing Link – US Link/Cross Link Documentation

Related Eurex Circulars: 041/04, 070/04

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Content may be most important for:

- ➲ Front Office/Trading
- ➲ Middle + Back Office

Attachments:
(only available on the Eurex website)

1. Functional Overview and Processes
2. Simulation Guide
3. Eurex Clearing Simulation Scripts and Schedules
4. CCorp Simulation Scripts and Schedules
5. GCL Fee and Pricing Concept
6. Member Activity Checklist

Summary:

In the course of the implementation of the Global Clearing Link (GCL), the launch of the Global Clearing Link for US Products traded on Eurex US ("US Link") and of Clearing Services for 21-hour trading in EU Products cross-listed on Eurex and Eurex US ("Cross Link") is scheduled after production start of the Global Clearing Link for EU products traded on Eurex in Europe ("EU Link") and given the approval of the Commodity Futures Trading Commission (CFTC) and the appropriate European regulatory authorities.

Eurex Clearing AG and The Clearing Corporation have assembled a member information package with functional and simulation-related documents as well as an overview of the GCL Fee and Pricing Concept and an Activity Checklist to enable market participants to prepare for the launch of the US Link/Cross Link.

The documents will be posted in the member section on the Eurex website. Please visit

www.eurexchange.com > Member Section > Documentation/Manuals GCL

for your personal download copy.

Global Clearing Link – US Link/Cross Link Documentation

Two phases are envisioned for the implementation of the Global Clearing Link.

Phase 1 encompasses the Global Clearing Link for EU Products traded on Eurex in Europe ("EU Link"). The eligible products are Euro-denominated, listed at Eurex and permitted to be traded on Eurex trading terminals in the U.S. pursuant to Commodity Futures Trading Commission (CFTC) staff no-action letter. Relevant documentation for Phase 1 was distributed with Eurex Circular 070/04 on May 24, 2004.

Phase 2 includes the Global Clearing Link for US Products traded on Eurex US ("US Link") and Clearing Services for 21-hour trading in EU Products cross-listed on Eurex and Eurex US ("Cross Link").

The implementation of phase 2 will allow Eurex Clearing members to carry trades in US Products executed on Eurex US and provides for cross-listing of EU Products at Eurex US. Subject to CFTC approval, selected Euro-denominated products that are listed at Eurex and are permitted to be traded on Eurex trading terminals in the U.S. pursuant to CFTC staff no-action letter are planned to be cross-listed on Eurex US.

To enable the market participants to prepare for the US Link/Cross Link, Eurex Clearing AG and The Clearing Corporation (CCorp) have assembled a package with functional and simulation-related information as well as an overview of the GCL Fee and Pricing Concept and a Member Activity Checklist.

In detail, the Member Information Package includes the following documents:

Functional:

1. **GCL Functional Overview and Processes**
   Description of relevant processes at The Clearing Corporation and Eurex Clearing AG aiming at acquainting market participants with the clearinghouse-specific procedures for the EU Link, US Link and Cross Link.

Simulation:

2. **Simulation Guide**
   Key information, simulation planning support and guidelines for participants' activities during the Global Clearing Link/Eurex Release 7.0 Simulation.

3. **Eurex Clearing Simulation Scripts and Schedules**
   Member Simulation scenarios to enable familiarization with the systems of Eurex Clearing AG for the US Link/Cross Link.

4. **CCorp Simulation Scripts and Schedules**
   Member Simulation scenarios to enable familiarization with the systems of The Clearing Corporation for the US Link/Cross Link.

Overviews/General:

5. **GCL Fee and Pricing Concept**
   Overview of all clearing-related fees within the Global Clearing Link (EU Link/US Link and Cross Link).

6. **Member Activity Checklist**
   Description of recommended member activities to achieve readiness from a functional, technical, simulation-related and training-specific perspective prior to the launch of the US Link/Cross Link.

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Kindly note that the Global Clearing Link, its underlying concept and rollout schedule is subject to approval by the CFTC and the appropriate European regulatory authorities.

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