X-pand into the Future

e u r e x *circular 146/04*

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Recipients: All Eurex members and vendors
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Changes to the Clearing Conditions for Eurex Clearing AG for Transactions at Eurex Bonds GmbH and Eurex Repo GmbH

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Content may be most important for:	**Attachments:**
➲ Middle + Back Office ➲ Auditing / Security Coordination	Updated sections of the Clearing Conditions for Eurex Clearing AG

In its session on October 6, 2004 the Executive Board of Eurex Clearing AG decided to modify Chapters II and III of the Clearing Conditions for Eurex Clearing AG (Clearing of Transactions at Eurex Bond GmbH and Clearing of Transactions at Eurex Repo GmbH) as shown in the attachment.

Background for the adjustment is to simplify process flow when introducing new instruments on the trading platforms of Eurex Bonds and Eurex Repo and to include these into the clearing process of Eurex Clearing AG. The admission procedure of new instruments will remain unchanged, just the specification of admitted instruments in the Clearing Conditions will cease to exist. A specification of new instruments will continue to be communicated, as before, via circular and Eurex website (www.eurexchange.com).

(...)

II Chapter:
Clearing of Transactions at Eurex Bonds GmbH

1 Part:
General Provisions

(…)

2 Part:
Settlement of Transactions at Eurex Bonds GmbH

2.1 ~~Subpart:~~Bonds Transactions Concerned
~~Settlement of Eurex Bonds-Transactions~~

(1) Eurex Clearing AG ~~shall carry out~~ shall realise the settlement or ~~the~~ Clearing of transactions effected at Eurex Bonds GmbH („Eurex Bonds-Transactions“) to the extent that the underlying securities of the respective Eurex Bonds Transaction are settled by Eurex Clearing AG and the banks for central depository of securities recognised by Eurex Clearing AG or respectively by the Custodians or Central Securities Depositories and that the prerequisites pursuant to paragraph (2) are fulfilled. ~~to the extent the securities on which such transactions are based:~~

(2) Eurex Clearing AG shall determine in consultation with Eurex Bonds GmbH, which kind of securities transactions that had been concluded on the trading platform of Eurex Bonds GmbH shall be included in the Clearing. Clearing Members will be notified by circular as well as through electronic publication in the internet, available on the internet pages of Eurex Clearing AG (www.eurexchange.com), as regards those securities transactions that are included in the Clearing.

~~(1) on fixed-interest debt securities of the Federal Republic of Germany or of the Treuhandanstalt, denominated in Euro, or~~

~~(2) on fixed-interest debt securities of the States within the Federal Republic of Germany („German State Bonds“), denominated in Euro, which have been selected and published by Eurex Clearing AG, and~~
~~fixed-interest debt securities of supranational institutions as well as debt securities of state agencies, denominated in Euro, with a minimum issuing volume of EUR 2 billion. Furthermore, such debt securities must have been entered into holding in collective safe custody at Clearstream Banking AG, Frankfurt and must have been rated AA- or higher pursuant to the rating agency Standard & Poor's Rating Services Inc. or Aa3 or higher pursuant to the rating agency Moody's Investors Services Inc., or~~

~~(3) on fixed-interest debt securities of mortgage banks or of credit institutions under public law ("Mortgage Bonds"), denominated in Euro, which have been selected and published by Eurex Clearing AG, with a minimum issuing volume of EUR 1 billion. Furthermore, such Mortgage Bonds must have been rated AA- or higher~~

~~pursuant to the rating agency Standard & Poor's Rating Services Inc. or Aa3 or higher pursuant to the rating agency Moody's Investors Services Inc.~~

(...)

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

1 Part:
General Provisions

(…)

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 banks for central depository of securities recognised by Eurex Clearing AG or respectively by the Custodians or Central Securities Depositories and that the prerequisites pursuant to paragraph (2) are fulfilled.

2) Eurex Clearing AG shall determine in consultation with Eurex Bonds GmbH, which kind of securities transactions that had been concluded on the trading platform of Eurex Bonds GmbH shall be included in the Clearing. Clearing Members will be notified by circular as well as through electronic publication in the internet, available on the internet pages of Eurex Clearing AG (www.eurexchange.com), as regards those securities transactions that are included in the Clearing.

~~(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 as well as Asset Covered Securities (ACS) issued by mortgage banks and credit institutions subject to public law denominated in Euro with an issuance volume of at least EUR 500 million. Besides, these mortgage bonds or ACS 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.~~

2.2 General Provisions

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