X-pand into the Future

e u r e x *circular 106/05*

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Recipients: All Eurex members and vendors
Authorized by: Daniel Gisler

Enhanced Transparency for Issuing Intraday Margin Calls

Related Eurex Circulars: 013/02

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Content may be most important for:	**Attachments:**
➲ Middle + Back Office ➲ Auditing / Security Coordination	none

Summary:

Pursuant to section 1.3.3 of the Clearing Conditions for Eurex Clearing AG, Eurex Clearing AG may demand, at any time during the exchange trading day, a higher or supplementary margin (Intraday Margin Call) from a Clearing Member. A description of this process was published in Eurex circular 013/02 on February 4, 2002.

To further enhance this process, Eurex Clearing AG publishes with this circular the preconditions under which an Intraday Margin Call may be issued by Eurex Clearing AG. The publication of these preconditions shall, essentially, increase transparency for participants and provide them with a planning basis. In this context, we would like to refer to IRIS, an additional service of Eurex Clearing AG, which shows the participant its individual risk position during the course of the day on the basis of the Intraday Risk Management of Eurex Clearing.

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According to this new rule, an Intraday Margin Call in principal will only be issued by Eurex Clearing AG, in case the shortfall of the margin to be deposited by the Clearing Member concerned exceeds the amount of ten percent of the daily margin requirements. A possible margin shortfall is continuously being monitored by Eurex Clearing AG and is determined as follows:

Actual valuation of securities or cash deposited as collateral

\+ credit of Variation or Premium Margin

\- debit of Variation or Premium Margin

\- actual margin requirement

In order to minimize administrational work, an Intraday Margin Call will only be issued, if it is in excess of one million euro. This procedure only represents an operative simplification of the process. Besides, Eurex Clearing AG reserves the right to demand from its Clearing Members Intraday Margin Calls which are below the above amount, should this be required by the respective risk situation.

Above new rule for triggering an Intraday Margin Call will be applied for the first time on Monday, **July 4, 2005.**

Example:

The overnight margin requirement calculated by the Eurex® system for a Clearing Member amounts to 15.2 million euro. As a result, the Intraday Margin Call for the next day will be triggered at a limit value of EUR 1,520,000. This means that the Intraday Margin Call will be issued for the full amount of the margin shortfall as soon as the Clearing Member's margin shortfall exceeds the limit value.

Frankfurt, June 28, 2005

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