X-pand into the Future

e u r e x *circular 081/05*

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Recipients: All Eurex members and vendors
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Changes to the Conditions for Trading at Eurex Deutschland and Eurex Zürich:

Determination of Trading Days and Pro Rata Matching Principle for Money Market Futures Contracts

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Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office ➲ Auditing / Security Coordination	Revised section 1.2 and 2.2 of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

The attached changes to sections 1.2 and 2.2 of the Conditions for Trading at Eurex Deutschland and Eurex Zürich permit the Management Boards of the Eurex Exchanges to determine certain trading days as exchange days for individual products in case, for example, the national exchange of the underlying concerned remains closed due to a holiday in this country.

Furthermore, the restructuring of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich as of April 1, 2005 required an amendment to the Conditions for Trading at Eurex Deutschland and Eurex Zürich to specify that only the matching of money market futures will be executed according to the pro rata matching principle; up to that date, this specification was made in the Contract Specifications.

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1 Part: General Provisions

1.1 Scope of Application

The following Conditions shall govern all transactions on Eurex Deutschland and Eurex Zürich, hereafter referred to as the Eurex Exchanges.

1.2 Exchange Days

The Exchange days on the Eurex Exchanges shall generally be the days determined by the Boards of Management of the Eurex Exchanges. The trading days for the respective products are basically identical with the Exchange days provided that the Management Boards of the Eurex Exchanges do not make other regulations for the respective products.

(...)

2.2 Consummation of Transactions

(1) Transactions on the Eurex Exchanges may only be effected between Eurex Clearing AG and an enterprise holding a Clearing License.

(2) If an Exchange Participant which is not itself authorized to participate in the clearing procedure (a "Non Clearing Member"), it may only effect transactions via the General Clearing Member or the affiliated Direct Clearing Member which performs the clearing of its transactions on the Eurex Exchanges.If an order or quote entered into the EDP system of the Eurex Exchanges by a Non-Clearing Member is matched with another order or quote, a transaction is effected between such Non-Clearing Member and the General Clearing Member or the affiliated Direct Clearing Member, and a corresponding transaction is simultaneously effected between such General Clearing Member or the affiliated Direct Clearing Member and Eurex Clearing AG.

(3) In case Eurex Clearing AG cooperates with another Clearing House being a Special Clearing Member (hereinafter referred to as the "Link Clearing House") in order to fulfil the Clearing based on a Clearing Link Agreement, equivalent transactions between the Link Clearing House and its Clearing Members are effected along with the transactions set forth pursuant to paragraph 2. If a Non-Clearing Member which clears its transactions concluded at the Eurex Exchange via a Clearing Member of the Link Clearing House, matches an order or quote entered into Eurex Exchange's system with another order or quote, the following equivalent transactions along with the transaction between the Non Clearing Member and the Clearing Member of the Link Clearing House are effected:

- a transaction between the Clearing Member of the Link Clearing House and the Link Clearing House and
- a transaction between the Link Clearing House and Eurex Clearing AG and
- a transaction between Eurex Clearing AG and its General Clearing Members or Direct Clearing Member,

- and if necessary a transaction between the General Clearing Member and its Non Clearing Member.

(4) An Exchange Participant may not enter into any transaction with any third party involving contracts traded on the Eurex Exchanges unless such Exchange Participant enters into a transaction on the Eurex Exchanges on the same terms and conditions (a cover transaction); this rule shall not apply if arrangements to the contrary have been explicitly agreed upon with the third party involved.

(5) As soon as an order or quote entered into the EDP system of the Eurex Exchanges and another order or quote may be executed with one another during the Trading Period, such orders or quotes will automatically be allocated to and matched with one another ("Matching"); the EDP system of the Eurex Exchanges generally ranks the orders or quotes, as the case may be, according to their price. The highest bid price (Nachfragepreis) and the lowest ask price (Angebotspreis) are ranked first. If prices are identical, the chronological order of entry is determinative. Market orders will at all times be executed before all other types of orders or quotes.

The details relating to the matching of orders and quotes are set forth in the rules in subsections 3.2 through 3.5.

(6) In deviation from the priority accorded on the basis of price and time described in paragraph (4), the matching of ~~those products specifically designated for this purpose in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich~~ Money Market Futures Contracts will take place on the basis of the Pro Rata Matching Principle. Under the Pro Rata Matching Principle, priority is accorded solely on the basis of price. All orders and quotes being entered into the EDP system of the Eurex Exchanges that may be executed with orders and quotes contained in the order book will be automatically allocated to them and matched.

If the total order volume of best price orders and quotes contained in the order book exceeds the volume of an incoming order or quote, the orders and quotes contained in the order book will, after rounding down to form a whole contract, first be allocated to and matched with the incoming order and quote on the basis of the percentage share they represent of the total order volume available in the EDP system of the Eurex Exchanges at such price. To the extent that the incoming order could not be fully allocated and executed on this basis, the portion thereof that could not be executed will be randomly allocated to and matched with the orders and quotes contained in the order book.

If the total order volume of best price orders and quotes contained in the order book does not exceed the volume of the incoming order or quote, the best price orders and quotes contained in the order book will be fully allocated and executed. That portion of the incoming order or quote which could not be executed will be matched according to the Pro Rata Matching Principle.

(7) The Eurex Exchanges shall immediately notify an Exchange Participant through the EDP system of the matching of its orders or quotes. This notification shall include all material details of the transaction.

(8) Subsequent to the matching process, the EDP system of the Eurex Exchanges shall update the position accounts of the Exchange Participants.

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