X-pand into the Future

e u r e x *circular 192/05*

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Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **High Priority**

Eurex Release 8.0 - Further Information

Related Eurex Circulars: 149/05, 153/05
Contact: Customer Support, Tel. +49-69-211-1 17 00

Content may be most important for:	**Attachments:**
➲ All departments	none

Summary:

The introduction of Eurex Release 8.0 in production is scheduled for **November 7, 2005**.
Detailed descriptions of the features, which will be introduced with the new release, are contained in the final Functional and Technical Release Notes. The documents can be downloaded from the internet under the following paths:

www.eurexchange.com > Member Section > Documentation Manuals Eurex > Eurex 8.0 > Functional Manuals

and

www.eurexchange.com > Member Section > Documentation Manuals Eurex > Eurex 8.0 > General System Overview

In their session on **October 5, 2005**, the Boards of Management of Eurex Deutschland, Eurex Zürich and Eurex Clearing AG took decisions on those new features that result in changes in the Eurex rules and regulations. The updated sections of Eurex Rules and Regulations as well as the appropriate application forms will be published in due time in a further circular.

Should you have any questions or require further information, please contact our Customer Support Team at tel. +49-69-211-1 17 00 or fax +49-69-211-1 17 01.

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Customer Support
Tel. +49-69-211-1 17 00
Fax +49-69-211-1 17 01

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz

Eurex Release 8.0 - Further Information

The introduction of Eurex Release 8.0 production is scheduled for **November 7, 2005**. Detailed descriptions of the features, which will be introduced with the new release, are contained in the final Functional and Technical Release Notes.

The new trading and clearing functions that will be explained in the following result in modifications in Eurex Rules and Regulations; the updated sections as well as the appropriate application forms will be published in due time in a further circular.

- **Market Maker Protection** for Advanced Market Makers and Permanent Market Makers
  (Introduction date: November 9, 2005)

This new feature offers protection for options Market Makers by means of monitoring members' trading activities (Volume, Vega, Delta). In case the predefined risk limits are reached or exceeded, all remaining quotes are put on hold.

- **Market-Making Heartbeat** for Advanced Market Makers and Permanent Market Makers
  (Introduction date: November 9, 2005)

A predefined "Keep Alive" signal between the Market Maker's quote machine dedicated to this purpose, via the respective MISS to the Eurex back-end, delivers protection against technical failure of either the customer software or the Eurex infrastructure. An interruption of the signal triggers immediate deletion of all remaining quotes entered by this subgroup, if no further signal arrives within a preset period of time.

Following the standards specified in the FIX protocol, the heartbeat frequency is set to five seconds. The maximum downtime between an event and quote deletion is eleven seconds; these comprise two heartbeat signals and the delay period of one second. The second heartbeat signal considers the possibility that one signal was completely lost.

- **Exchange for Physical for Index Futures (EFPI)**
  (Introduction date: November 14, 2005)

The EFPI-facility allows members to organize and execute transactions which involve a combination of a specified cash market trade (equities basket) traded on-exchange or OTC, and a futures trade.
The number of traded futures contracts must be in a certain relation to the nominal value of the equities basket. Eligible products will be all equity index futures.

The corresponding equities basket has to meet certain conditions such as:

- The nominal value has to be larger than EUR 1 million or CHF 1.5 million.
- The values of the equities basket and the futures contracts may differ by a maximum of 20 percent.
- The equities basket components must be part of Dow Jones STOXX® TMI Index or Dow Jones Global Titans 50℠ Index.
- The minimum number of different shares comprised in the corresponding equities basket is defined with ten or has to represent more than half of the components of the respective underlying index.

EFPI-trades are priced according to the existing fee model for OTC-trades.

- **Enhanced Position Transfer**
  (Introduction date: November 7, 2005)

Partial position transfers on positions in futures or options products, where the premium is settled futures-style, will be executed with the previous day's settlement price.

This change enables members to calculate any associated cash amount throughout the business day.

- **Harmonization of OTC Price Validations**
  (Introduction date: November 7, 2005)

OTC futures price entries will be validated in a consistent way for OTC futures trading (Block Trading, Vola Trading, EFP-Fin, EFS- , EFPI-Trading and Vola Strategy Trading) as well as for OTC-Options Trading (Block-, Flexible Options, Strategy und Vola Strategy Trading).

- **New Order Type "Market-on-Close order"**
  (Introduction date: November 7, 2005)

With the introduction of Eurex Release 8.0, a new order type for the closing auction ("Market-on-Close order") will be made available for all price/time matched futures-contracts that end the trading day with a closing auction.

Orders with this new restriction type may be entered during the whole trading day and will be exclusively considered during the closing auction of the current business day. It will receive a new time priority depending on when the order was entered during the trading day.

A Market-on-Close order can be entered Good-for-Day (limit order or market order). However, it cannot be combined with Stop orders or with execution restrictions Fill-or-Kill (FOK) or Immediate-or-Cancel (IOC). If on a trading day no closing auction takes place in the respective futures contract, orders for the closing auction are automatically deleted for the respective futures contract.

As announced in Eurex-Circular 178/05, it is true for all products included in Trading Hours Extension (THX) that the closing price determined in the closing auction is not significant for the determination of the daily settlement price.

The introduction of the new order type "Market-on-Close Order" is subject to the approval of the Exchange Council and the Eurex Advisory Board.

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Frankfurt, October 12, 2005