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Adjustment of Maximum Spreads for Equity Index Options and Swiss Stock Options

Update of Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich

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Content may be most important for:

➲ All Departments

Attachments:

Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich

Summary:

In their session on November 18, 2003, the Management Boards of the Eurex Exchanges made the following decisions which will become effective on January 5, 2004:

1. The maximum spreads for the Dow Jones Global Titans 50 Equity Index Options (OGTI) and HEX25® Option (OFOX) will be adapted to those of the other equity index options.
2. Class III Maximum Spreads of Swiss stock options will be extended.
3. Apart from editorial changes of the Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich (Mistrade Regulations), the Mistrade Range (deviation interval of the price of the erroneous transaction in proportion to the Reference price) for all equity and equity index options will be defined, as a standard, analogous to the appropriate maximum spreads. Besides, the Mistrade Range for LEPO contracts was re-defined.

Adjustment of Maximum Spread of Equity Index Options and Swiss Stock Options

Update of Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich

1. Adjustment of Maximum Spreads in OGTI and OFOX

The maximum spreads for the Dow Jones Global Titans 50 Equity Index Option (OGTI) and HEX25® Option (OFOX) will be adapted to those of the other equity index options. Thus, the definition of maximum spreads for equity index options will be further harmonized and simplified.

Product	**old**		**new**	
	Bid up to (index points)	**Maximum Spreads (index points)**	**Bid up to (index points)**	**Maximum Spreads (index points)**
DJ Global Titans 50 Index Option (OGTI)	0 – 2.5	0.5	0 – 5.3	0.8
	2.6 – 25.0	20%	5.4 – 53.3	15%
	25.1 – 999.8	5.0	53.4 – 999.8	8.0
HEX25® Option (OFOX)	0 – 5.0	1.0	0 - 13,.3	2.0
	5.1 – 100.0	20%	13,4 - 133.3	15%
	100.1 – 9,999.8	20.0	133.4 – 9,999.8	20.0

2. Extension of Maximum Spreads for Swiss Equity Options

Class III maximum spreads of Swiss Equity Options will be extended by 50 percent, as follows:

old		**new**	
Bid up to (CHF)	**Maximum Spreads (CHF)**	**Bid up to (CHF)**	**Maximum Spreads (CHF)**
0 – 10.00	2.00	0 – 15.00	3.00
10.01- 50.00	20%	15.01- 75.00	20%
> 50.00	10.00	> 75.00	15.00

For detailed and latest information about market making at the Eurex Exchanges please see our homepage „www.eurexchange.com/marketaccess/membership/marketmaking/publications/001.html“.

3. Changes to the Mistrade Regulations

Apart from editorial changes of the Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich (Mistrade Regulations), the Mistrade Range (deviation interval of the price of the erroneous transaction in proportion to the Reference price) for all equity and equity index options will be defined, as a standard, analogous to the appropriate maximum spreads. Besides, the Mistrade Range for all LEPO contracts was fixed to 50 percent of the appropriate maximum spreads of equity options valid at the time, but must amount to at least one percent of the LEPO price. For better transparency and simplification, the respective regulations of the Mistrade Range are shown in the attachment to the Mistrade Regulations.

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Implementation Regulations for the Handling of Erroneous Entries (Fehleingaben) at Eurex Deutschland and Eurex Zürich pursuant to Subsection 2.6 Paragraph 3 of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

1.~~1~~ ~~Pursuant to Subsection 2.6 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich~~Erroneous Entries in the Trading of Option Contracts on Stocks, Exchange-traded Shares on Index Funds, Stock Indices and Low Exercise Price Options ("LEPOs")

1.1.~~1~~ Scope of Application

The following Implementation Regulations under subsection 2.6 paragraph (3)~~(2)~~ of the Conditions for Trading at Eurex Deutschland und Eurex Zürich (Bedingungen für den Handel an der Eurex Deutschland und der Eurex Zürich) (hereinafter referred to as "Trading Conditions") relate to erroneous entries in the trading of ~~options contract~~option contracts on stocks, on exchange-traded shares on index funds~~, and~~ on stock indices and LEPOs.

1. ~~1.~~2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry (hereinafter referred to as an "Erroneous Entry Transaction") deviates significantly from the market price (~~—~~hereinafter referred to as the "Reference Price")~~—~~ and

b. the Exchange Participant which entered the erroneous entry asserts to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the Erroneous Entry T~~t~~ransaction deviates significantly from the Reference Price, both the~~such~~ aforementioned prices shall be set in proportion to one another in accordance with the following provisions~~:~~.

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provision or if the Reference Price so determined does not correspond to fair market conditions or if a contracting party objects to the cancellation, the Eurex Exchanges, with the assistance of the option price model (Optionspreismodell) employed by them, shall determine a "theoretically fair" price and use such price as the Reference Price. Alternatively, the Eurex Exchanges shall select, from among the

group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the option series concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

In the case of option contracts on stocks, stock indices and exchange-traded shares on index funds, a deviation in the price of the Erroneous Entry Transaction shall be deemed significant if the price of the Erroneous Entry Transaction relative to the Reference Price deviates by more than the interval (hereinafter referred to as the "Mistrade Range") established by the Management Boards of the Eurex Exchanges under subsections 6.2.1 and 6.2.2 for the relevant option contract.

In the case of LEPOs on stocks, a deviation in the price of the Erroneous Entry Transaction shall be deemed significant if the price of the Erroneous Entry Transaction deviates by more than the Mistrade Range established by the Management Boards of the Eurex Exchanges under subsection 6.2.1 for the respective LEPO contract relative to its underlying stock.

~~In determining whether the price of the transaction deviates significantly from the Reference Price, a distinction shall be made in the following manner between options contracts on stocks in German joint stock corporations (German stock options) or on German stock indices, the Dow Jones STOXX 50 Index, the Dow Jones EURO STOXX 50 Index, the Dow Jones Global Titans 50 Index℠, the Dow Jones EURO STOXX Sector Indices, the Dow Jones STOXX Sector Indices, options contracts on exchange-traded shares on index funds and options contracts on stocks in Swiss joint stock corporations (Swiss stock options) or on Swiss stock indices, option contracts on stocks in Finnish joint stock corporations (Finnish stock options) or Finnish stock indices, options contracts on stocks in Dutch joint stock corporations (Dutch stock options), options contracts on stocks in Italian joint stock corporations (Italian stock options), options contracts on stocks in French joint stock corporations (French stock options), options contracts on stocks in joint stock corporations listed on Neuer Markt (Neuer Markt stock options), and options contract on stocks in US joint stock corporations (US stock options):~~

~~A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on stocks in German joint stock corporations (German stock options), stocks in Swiss joint stock corporations (Swiss stock options), stocks in Finnish joint stock corporations (Finnish stock options), stocks in Dutch joint stock corporations (Dutch stock options), stocks in Italian joint stock corporations (Italian stock options), stocks in French joint stock corporations (French stock options), stocks in joint stock corporations listed on Neuer Markt (Neuer Markt stock options), stocks in US joint stock corporations (US stock options), the Swiss stock index SMI®, Dow Jones Euro STOXX Sector Indices, Dow Jones STOXX Sector Indices and on exchange-traded shares on index funds is to be presumed when the amount of the deviation exceeds the maximum spread valid at that time with regard to the Reference Price.~~

~~The above regulation for the determination of a significant deviation of the price of the transaction from the Reference Price shall also apply to Low Exercise Price Options (LEPO) on the respective joint stock corporations and on exchange-traded shares on index funds.~~

~~A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on German stock indices, Finnish stock indices and options contracts on the Dow Jones STOXX 50 Index or the Dow Jones EURO STOXX 50 Index is to be presumed when the amount of the deviation~~

~~- exceeds 20 points [1) 2)] or~~

~~- if not in excess of 20 points [1) 2)], the deviation exceeds 20 per cent of the Reference Price or at least 3 points [1) 2)].~~

~~1) This shall not apply to options contracts on the NEMAX 50 and TecDAX: A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on the NEMAX 50 and TecDAX is only given when the deviation exceeds 50 points or, if not in excess of 50 points, exceeds 20 per cent of the Reference Price or at least 5 points.~~

~~2) This shall neither apply to options contracts on the Dow Jones EURO STOXX 50 Index with terms longer than 24 months nor to options contracts on the German Stock Index (DAX) with terms longer than 24 months: A significant deviation of the price of the transaction from the Reference Price in these options contracts is to be presumed if the deviation exceeds the maximum spread valid at that time with regard to the Reference Price.~~

~~A significant deviation of the price of the transaction from the Reference Price in the case of options contracts~~ on the Dow Jones Global Titans 50 Index[SM] ~~is to be presumed when the amount of the deviation~~

~~- exceeds 5 points or~~

~~- if not in excess of 5 points, the deviation exceeds 20 per cent of the Reference Price or at least 1 point.~~

The provisions of subsection 1. ~~1.~~2 shall apply *mutatis mutandis* to a combination order pursuant to subsection 3.1 paragraph (1) item c of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with two limit orders (subsection 3.1 paragraph (1) item b of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~). However, in respect of the two resulting transactions, whether the price of one of the transactions or of both the transactions deviates significantly from the ~~market price (“~~Reference Price~~”)~~ is to be determined separately. If the price of only one of the two transactions deviates significantly from the ~~market price (“~~Reference Price~~”)~~ within the meaning of the foregoing provisions, only such transaction shall be cancelled. The remaining transaction, the price whereof corresponds to the ~~market price (“~~Reference Price~~”)~~, shall not be cancelled.

The Implementation Regulations for the Handling of Erroneous Entries in the trading of combination quotes or combination orders on option contracts set forth in subsection ~~1.~~3 shall apply to a combination order pursuant to subsection 3.1 paragraph (1) item c of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with a combination order.

In the case of transactions in Delta Neutral Products, the Reference Price of the options transaction shall be used and shall be determined pursuant to the foregoing provisions. With respect to the futures transaction, there will be no separate determination of the Reference Price, as this transaction will, in the event of a significant deviation ~~of~~ in the price of the options

transaction from the determined Reference Price, be cancelled together with the options transaction.

1.~~1.~~3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

1. ~~1.~~4 Cancellation

Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the Erroneous Entry Transaction~~erroneous entry~~.

1. ~~1.~~5 Costs

The Eurex Exchanges shall charge a handling fee – reflecting expenses but in any case in the minimum amount of 150 EUR ~~1)~~ for EUR denominated option contracts o~~or~~ 250 CHF~~2)~~ for CHF denominated option contracts per erroneous entry – to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transaction - shall be cancelled by the Eurex Exchanges.

~~1) Options which are listed in EUR.~~

~~2) Options which are listed in CHF.~~

1. ~~1.~~6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 2.6 paragraph (3~~2~~) of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Board of Eurex Deutschland or of Eurex Zürich.

~~1.~~2 ~~Pursuant to Subsection 2.6 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich~~Erroneous Entries in the Trading of Option Contracts on Interest Rate Futures

~~1.~~2.1 Scope of Application

The following Implementation Regulations under subsection 2.6 paragraph (3~~2~~) of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ relate to erroneous entries in the trading of ~~options contracts~~option contracts on interest rate futures.

~~1.~~2.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the Erroneous Entry Transaction~~transaction effected by the erroneous entry~~ deviates significantly from the ~~market price – hereinafter referred to as the "~~Reference Price~~" –~~ and

b. the Exchange Participant which entered the erroneous entry asserts to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the Erroneous Entry Transaction~~transaction~~ deviates significantly from the Reference Price, both the aforementioned~~such~~ prices shall be set in proportion to one another in accordance with the following provisions~~:~~.

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provision or if the Reference Price so determined does not correspond to fair market conditions or a contracting party objects to the cancellation, the Eurex Exchanges, with the assistance of the option price model (Optionspreismodell) employed by them, shall determine a "theoretically fair" price and use such price as the Reference Price. Alternatively, the Eurex Exchanges shall randomly select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the option series concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

In the case of option contracts on interest rate futures, the amount by which the price of the Erroneous Entry Transaction deviates from the Reference Price shall be deemed significant ~~A significant deviation from the Reference Price is to be presumed for options contracts on futures of notional debt securities of the Federal Republic of Germany or of the Treuhandanstalt as well as for options contracts on money market interest rate futures~~ if the deviation in the price of the

Erroneous Entry Transaction~~transaction~~ relative to the Reference Price ~~deviates~~ exceeds the Mistrade Range established by the Management Boards of the Eurex Exchanges under subsection 6.2.3 for the relevant option contract~~for a Reference Price~~

~~- of up to 0.09 points by more than 0.03,~~

~~- of up to 0.29 points by more than 0.04,~~

~~- of up to 0.59 points by more than 0.06,~~

~~- of up to 0.99 points by more than 0.08 and~~

~~- for a Reference Price of up to 1.00 points by more than 0.1~~

~~points from the Reference Price.~~

~~A significant deviation from the Reference Price is to be presumed for options contracts on futures of notional debt securities of the Swiss Confederation if the price of the transaction deviates from the Reference Price by~~

~~- more than ten times the smallest price adjustment (10 ticks) in the first expiration month~~

~~- more than fifteen times the smallest price adjustment (15 ticks) in every subsequent expiration month.~~

The regulations contained in subsection ~~1.~~2.2 shall apply *mutatis mutandis* to a combination order pursuant to subsection 3.1 paragraph (1) item c of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with two limit orders (subsection 3.1 paragraph (1) item b of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~). However, in respect of the two resulting transactions, whether the price of one of the transactions or of both the transactions deviates significantly from the ~~market price (~~"Reference Price~~")~~ is to be determined separately. If the price of only one of the two transactions deviates significantly from the ~~market price (~~"Reference Price~~")~~ within the meaning of the foregoing provisions, only such transaction shall be cancelled. The remaining transaction, the price whereof corresponds to the ~~market price (~~"Reference Price~~")~~, shall not be cancelled.

The Implementation Regulations for the Handling of Erroneous Entries in the trading of combination quotes or combination orders on option contracts set forth in subsection ~~1.~~3 shall apply to a combination order pursuant to subsection 3.1 paragraph (1) item c of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with a combination order.

In the case of transactions in Delta Neutral Products, the Reference Price of the options transaction shall be used and shall be determined pursuant to the foregoing provisions. With respect to the futures transaction, there will be no separate determination of the Reference Price, as this transaction will, in the event of a significant deviation in the price of the options transaction from the determined Reference Price, be cancelled together with the options transaction.

~~1.~~2.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

~~1.~~2.4 Cancellation

Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the Erroneous Entry Transaction~~erroneous entry~~.

~~1.~~2.5 Costs

The Eurex Exchanges shall charge a handling fee – reflecting expenses but in any case in the minimum amount of 150 EUR~~[1)]~~ for EUR denominated option contracts or 250 CHF~~[2)]~~ for CHF denominated option contracts per erroneous entry – to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transaction - shall be cancelled by the Eurex Exchanges.

~~1) Options which are listed in EUR.~~

~~2) Options which are listed in CHF.~~

~~1.~~2.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 2.6 paragraph (~~2~~3) of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.

~~1.~~3 ~~Pursuant to Subsection 2.6 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich~~Erroneous Entries in the Trading of Combination Quotes or Combination Orders on Option Contracts

~~1.~~3.1 Scope of Application

The following Implementation Regulations under subsection 2.6 paragraph (~~2~~3) of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ relate to erroneous entries in the trading of combination quotes or combination orders for ~~options contracts~~option contracts insofar

as such combination quotes or combination orders have been executed through a Combinations Quote Book.

~~1.~~3.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel transactions effected by the execution of combination quotes or combination orders through a Combinations Quote Book (hereinafter referred to as “Options Combinations”) in order to ensure orderly and fair market conditions if

a. the price of the Erroneous Entry Transaction~~transaction effected by the erroneous entry~~ deviates significantly from the ~~market price – hereinafter referred to as the "~~Reference Price~~" –~~ and

b. the Exchange Participant which entered the erroneous entry asserts to the Eurex Exchanges without delay that it mistakenly entered the combination quote or combination order incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

For the purpose of determining a Reference Price, the Eurex Exchanges shall select, from among the group of Exchange Participants which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the Options Combination concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

In the case of Options Combinations in the Combinations Quote Book, the deviation in the price of the Erroneous Entry Transaction relative to the Reference Price shall be deemed significant and the cancellation of all the transactions underlying the Options Combinations considered if the price of the Erroneous Entry Transaction exceeds the Mistrade Range established by the Management Boards of the Eurex Exchanges under subsection 6.2 for the option contracts underlying the relevant Options Combinations.

~~Whether the price of the Options Combination deviates significantly from the Reference Price thus computed and all the transactions underlying the Options Combination should be cancelled by the Eurex Exchanges shall be determined by employing those parameters for transactions which deviate significantly from a Reference Price that are contained in the Implementation Regulations for the Handling of Erroneous Entries and are applicable to the transactions underlying the Options Combination.~~

~~1.~~3.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

~~1.~~3.4 Cancellation

Cancellation of the transactions underlying an Options Combination by the Eurex Exchanges is effected by means of entering corresponding countertransactions into the System of the Eurex Exchanges.

~~1.~~3.5 Costs

The Eurex Exchanges shall charge a handling fee – reflecting expenses but in any case in the minimum amount of 150 EUR~~ [1)]~~ for EUR denominated option contracts or 250 CHF~~ [2)]~~ for CHF denominated option contracts per erroneous entry – to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transactions - shall be cancelled by the Eurex Exchanges.

~~1) Options which are listed in EUR.~~

~~2) Options which are listed in CHF.~~

~~1.~~3.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the transactions underlying the Options Combination have been cancelled by the Eurex Exchanges according to subsection 2.6 paragraph (3~~2~~) of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.

4 Erroneous Entries in the Trading of Futures Contracts on Stock Indices and Exchange-traded Shares on Index Funds

4.1 Scope of Application

The following Implementation Regulations under subsection 2.6 paragraph (3) of the Trading Conditions relate to erroneous entries in the trading of stock index futures and exchange-traded shares on index funds.

4.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry deviates significantly from the Reference Price and

b. the Exchange Participant ~~which~~who entered the erroneous entry asserts to the Eurex Exchanges without delay that ~~it~~the Exchange Participant mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the transaction deviates significantly from the Reference Price, both the aforementioned prices shall be set in proportion to one another in accordance with the following provisions.

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provisions or if the Reference Price so determined does not correspond to fair market conditions or if a contracting party objects to the cancellation, the Eurex Exchanges shall select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the futures contract concerned; the average of the prices determined by these individuals shall then be the Reference Price.

A deviation from the Reference Price shall be deemed significant if the deviation in the price of the Erroneous Entry Transaction relative to the Reference Price is at least equal to the interval set by the Management Boards of the Eurex Exchanges.

If the erroneous transaction forms part of a spread transaction, the Eurex Exchanges may make the Exchange Participant which entered the erroneous entry a contracting party to the regular transaction if the cancellation of the regular transaction would result in a loss for the Exchange Participant who benefited from the erroneous entry.

4.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed made against all Eurex Exchanges

4.4 Cancellation

a. Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the Erroneous Entry Transaction.

b. Transactions effected by stop orders caused by an erroneous entry may be cancelled by the Eurex Exchanges by way of entering a countertransaction into the System of the Eurex Exchanges at the price of the original trade.

4.5 Costs

The Eurex Exchanges shall charge a handling fee – reflecting expenses but in any case in the minimum amount of 500 EUR for EUR denominated futures contracts or CHF 800 for CHF denominated futures contracts per erroneous entry – to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transaction - shall be cancelled by the Eurex Exchanges.

4.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 2.6 paragraph (3) of the Trading Conditions in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.

~~1.4~~5 ~~Pursuant to Subsection 2.6 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich~~Erroneous Entries in the Trading of Futures Contracts on Interest Rate Related Products

~~1.4~~5.1 Scope of Application

The following Implementation Regulations under subsection 2.6 paragraph (~~3~~2) of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ relate to erroneous entries in the trading of interest rate futures.

~~1.4~~5.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the Erroneous Entry Transaction ~~transaction effected by the erroneous entry~~ deviates significantly from the ~~market price – hereinafter referred to as the "~~Reference Price~~"~~ – and

b. the Exchange Participant which entered the erroneous entry claims to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the Erroneous Entry Transaction~~transaction~~ deviates significantly from the Reference Price, both the aforementioned~~such~~ prices shall be set in proportion to one another in accordance with the following provisions~~:~~.

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provisions or if the Reference Price so determined does not correspond to fair market prices or if a contracting party objects to the cancellation, the Eurex Exchanges shall select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the futures contracts concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

In the case of futures contracts on interest rate related products, the deviation in the price of the Erroneous Entry Transaction relative to the Reference Price shall be deemed significant if it exceeds the Mistrade Range established by the Management Boards of the Eurex Exchanges under subsection 6.1 for the Reference Price~~A significant deviation from the Reference Price is to be presumed when the price of the transaction deviates at least by the interval set by the Management Boards of the Eurex Exchanges~~.

If the Erroneous Entry Transaction~~erroneous transaction~~ forms part of a spread transaction, the Management Boards of the Eurex Exchanges are entitled to make the Exchange Participant which entered the erroneous entry a contracting party to the regular transaction if the cancellation of the regular transaction would result in a loss for the Exchange Participant who benefited from the erroneous entry.

~~1.4~~5.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

~~1.4~~5.4 Cancellation

a. Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the Erroneous Entry Transaction~~erroneous entry~~.

b. Transactions effected by stop orders caused by an erroneous entry may be cancelled by the Eurex Exchanges by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the original trade.

~~1.4~~5.5 Costs

The Eurex Exchanges shall charge a handling fee – reflecting expenses but in any case in the minimum amount of 500 EUR~~[1)]~~ for EUR denominated futures contracts or 800 CHF~~[2)]~~ for CHF denominated futures contracts per erroneous entry – to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transactions - shall be cancelled by the Eurex Exchanges.

~~[1)] Futures which are listed in EUR.~~

~~[2)] Futures which are listed in CHF.~~

~~1.4~~5.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 2.6 paragraph (~~3~~2) of the Trading Conditions ~~for Trading at Eurex Deutschland and Eurex Zürich~~ in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.

~~1.5 Pursuant to Subsection 2.6 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich~~

~~1.5.1 Scope of Application~~

~~The following Implementation Regulations under subsection 2.6 paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich relate to erroneous entries in the trading of futures on stock indices and on exchange-traded shares on index funds. Note: As from December 18, 1998, trading in VOLAX Futures has been discontinued.~~

~~1.5.2 Conditions~~

~~The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if~~

~~a. the price of the transaction effected by the erroneous entry deviates significantly from the market price – hereinafter referred to as the "Reference Price" – and~~

~~b. the Exchange Participant which entered the erroneous entry claims to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.~~

~~The assertion of any further rights shall remain unaffected.~~

~~In order to determine if the price of the transaction deviates significantly from the Reference Price, such prices shall be set in proportion to one another in accordance with the following provisions:~~

~~The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.~~

~~If a Reference Price cannot be determined pursuant to the foregoing provisions or if the Reference Price so determined does not correspond to fair market conditions, a Reference Price shall be determined by the Eurex Exchanges. To this end, the Eurex Exchanges may select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the futures contracts concerned; the average of the prices determined by these three individuals shall then be the Reference Price.~~

~~A significant deviation from the Reference Price is to be presumed when the price of the transaction deviates from the Reference Price by at least the interval set by the Management Boards of the Eurex Exchanges.~~

~~If the erroneous transaction forms part of a spread transaction, the Eurex Exchanges are entitled to make the Exchange Participant which entered the erroneous entry a contracting party to the regular transaction if the cancellation of the regular transaction would result in a loss for the Exchange Participant who benefited from the erroneous entry.~~

~~1.5.3 Form Claim~~

~~The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges~~

~~1.5.4 Cancellation~~

~~a. Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the erroneous entry.~~

~~b. Transactions effected by stop orders caused by an erroneous entry may be cancelled by the Eurex Exchanges by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the original trade.~~

~~1.5.5 Costs~~

~~The Eurex Exchanges shall charge a handling fee – reflecting expenses but in any case in the minimum amount of 500 EUR [1)] or CHF 800 [2)] per erroneous entry – to be paid by the Exchange~~

~~Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transactions - shall be cancelled by the Eurex Exchanges.~~

~~1) Futures which are listed in EUR.~~

~~2) Futures which are listed in CHF.~~

~~**1.5.6 Final Provisions**~~

~~The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 2.6 paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.~~

6 Appendices: Mistrade Range

6.1 Futures Contracts

A deviation from the Reference Price shall be deemed significant if the deviation in the price of the Erroneous Entry Transaction relative to the Reference Price is at least 20% of the margin parameters for the corresponding futures contract.

6.2 Option Contracts

6.2.1 Option Contracts on Stocks, and LEPOs as well as Option Contracts ~~a~~on~~d~~ Exchange-traded Shares on Index Funds

In the case of LEPOs on stocks, the deviation in the price of the Erroneous Entry Transaction relative to the Reference Price shall be deemed significant if it exceeds 50% of the respectively valid maximum spread for stock options or at least 1% of the LEPO price.

6.2.1.1 Dutch stock options

Reference price (EUR)	Mistrade Range (EUR)	
	DJ EURO STOXX 50 Components	Non-DJ EURO STOXX 50 Components
Maturity £ 12 Months		
0.00 – 0.50	0.15	0.15
0.51 – 2.50	0.15	0.20
2.51 – 5.00	0.20	0.30
5.01 – 10.00	0.30	0.40
10.01 – 20.00	0.40	0.50
>20.00	0.60	0.65
12 Months < Maturity £ 24 Months		
0.00 – 0.50	0.15	0.20
0.51 – 2.50	0.15	0.30
2.51 – 5.00	0.20	0.40
5.01 – 10.00	0.30	0.50
10.01 – 20.00	0.40	0.60
>20.00	0.60	0.70
24 Months < Maturity £ 36 Months		
0.00 – 0.50	0.15	0.30
0.51 – 2.50	0.20	0.40
2.51 – 5.00	0.30	0.50
5.01 – 10.00	0.40	0.60
10.01 – 20.00	0.50	0.70
>20.00	0.60	0.80

Classification

Option on	Product symbol	DJ EURO STOXX 50 Components?
ABN Amro	AAR	Y
Aegon	AEN	Y
Akzo Nobel	AKU	N
Ahold	AHO	Y
ASML	ASM	N
ING	INN	Y
DSM	DSM	N
Elsevier	ELV	N
Fortis	FO4	Y
Getronics	GTO	N
IHC Caland	IHC	N

Option on	Product symbol	DJ EURO STOXX 50 Components?
Hagemeyer	HMY	N
Heineken	HNK	N
Buhrmann	KNP	N
KPN	KPN	N
Numico	NUT	N
Philips	PHI1	Y
Royal Dutch	ROY	Y
TPG	TPG	N
Unilever	UNI	Y
Van der Moolen	VMH	N
VNU	VNU	N
Wolters Kluwer	WOS	N

6.2.1.2 Other option contracts on stocks and option contracts on exchange-traded shares on index funds

Class I		Class II		Class III	
Reference price	**Mistrade Range**	**Reference price**	**Mistrade Range**	**Reference price**	**Mistrade Range**
Option contracts on stocks and exchange-traded shares in index funds denominated in EUR					
0 - 1.00	0.20	0 - 2.00	0.40	0 - 5.00	1.00
1.01 - 15.00	20%	2.01 - 30.00	20%	5.01 - 50.00	20%
> 15.00	3.00	> 30.00	6.00	> 50.00	10.00
Option contracts on stocks and exchange-traded shares in index funds denominated in CHF					
0 - 2.00	0.40	0 - 5.00	1.00	0 - 15.00	3.00
2.01 - 15.00	20%	5.01- 30.00	20%	15.01- 75.00	20%
>15.00	3.00	> 30.00	6.00	> 75.00	15.00

Classification

Class I		Class II		Class III	
Option contracts on stocks					
1. German stock options					
Adidas	ADS	Allianz Holding	ALV	Porsche	POR3
Altana	ALT	Deutsche Bank	DBK	SAP	SAP
BASF	BAS	Münchner Rückversicherung	MUV2		
Bayer	BAY				
BMW	BMW				

Class I		**Class II**		**Class III**	
Commerzbank	CBK				
Continental	CON				
DaimlerCrysler	DCX				
Degussa	DGX				
Deutsche Börse	DB1				
Deutsche Post	DPW				
Deutsche Telekom	DTE				
E.ON	EOA				
Epcos	EPC				
Fresenius Medical Care	FME				
Henkel Vz.	HEN3				
HypoVereinsbank	HVM				
Infineon	IFX				
Karstadt Quelle	KAR				
Linde	LIN				
Lufthansa	LHA				
MAN	MAN				
Metro	MEO				
MLP	MLP				
RWE	RWE				
Schering	SCH				
Siemens	SIE				
ThyssenKrupp	TKA				
TUI	TUI				
VW	VOW				
2. Finnish stock options					
Elisa Communications	EIA				
Nokia	NOA3				
Stora Enso	ENUR				
TeliaSonera	TLSN				
Tieto Enator	TTEB				
UPM-Kymmene Corporation	RPL				
3. French stock options					
Accor	ACR / ACR5	Air Liquide	AIR / AIR5		
AGF	AGF / AGF5	Casino Guichard	CAJ / CAJ5		
Alcatel	CGE / CGE5	Danone	BSN / BSN5		
Aventis	AVE / AVE5	L'Oréal	LOR / LOR5		
AXA	AXA / AXA5	Pinault-Printemps	PPX / PPX5		
BNP Paribas	BNP / BNP5	Société Générale	SGE / SGE5		

Class I		**Class II**		**Class III**	
Bouygues	BYG / BYG5	Total	TOTB / TOT5		
Cap Gemini	CGM /CGM5				
Carrefour	CAR / CAR5				
Crédit Agricole	XCA / XCA5				
Dexia	DXB / DXB5				
EADS	EAD / EAD5				
France Télécom	FTE / FTE5				
Lafarge	CIL / CIL5				
LVMH	MOH / MOH5				
Orange	OAG				
Peugeot	PEU / PEU5				
Renault	RNL / RNL5				
Saint-Gobain	GOB / GOB5				
Sanofi-Synthelabo	SNW / SNW5				
Schneider Electric	SND / SND5				
Sodexho Alliance	SJ7 / SJ75				
STMicroelectronics	SGM / SGM5				
Suez	LYO / LYO5				
TF1	FSE / FSE5				
Thalès	CSF / CSF5				
Thomson	TNM / TNM5				
Vinci	SQU / SQU5				
Veolia Environnement	VVD / VVD5				
Vivendi Universal	VVU / VVU5				
4. Italian stock options					
Assicurazioni Generali	ASG				
ENI	ENT				
Telecom Italia	TQI				
5. Neuer Markt stock options					
Aixtron	AIX				
EM.TV	ETV				
Intershop	ISH1				
Mobilcom	MOB				
Qiagen	QIA				
T-Online	TOI				
6. Swiss stock options					
ABB N	ABBN	Givaudan	GIVN	Serono	SEO
Adecco N	ADEN	Julius Bär Holding	BAER	SGS Surveillance	SGSN
Baloise	BALN	Nestlé N	NESN		

Class I		**Class II**		**Class III**	
Ciba Spezialitätenchemie	CIBN	Schweiz. Rückversicherung N	RUKN		
Richemont N	CFR	Sulzer	SUN		
Clariant N	CLN	Swisscom	SCMN		
Credit Suisse Group N	CSGN	Swiss Life Holding	SLHN		
Holcim N	HOLN	Unaxis	UNAX		
Kudelski	KUD	Zurich Fin. Services	ZURN		
Lonza	LONN				
Novartis	NOVN				
Roche Holding	ROG				
Syngenta	SYNN				
The Swatch Group N	UHRN				
UBS	UBSN	IBM	IBM		
7. US stock options					
Cisco	CIS				
Citigroup	TRV				
EMC	EMP				
General Electric	GEC				
Intel	INL				
Microsoft	MSF				
Oracle	ORC				
SUN	SSY				
Time Warner	AOL				
Option contracts on exchange-traded shares on index funds					
DAX EX	EXS1				
DJ EURO STOXX 50 EX	EXW1				
iShares DJ EURO STOXX 50	EUN2				
Fresco DJ EURO STOXX 50	FRC1				
XMTCH on SMI	XMT				

6.2.2 Option contracts on stock indices

Option on	Product symbol	Reference price (Index points)	Mistrade Range (Index points)
Maturity £ 24 Months			
DJ EURO STOXX 50, DJ STOXX 50, DAX®, HEX25®	OESX, OSTX, ODAX, OFOX	0 - 13.3	2.0
		13.4 - 133.3	15%
		133.4 - 9.999.8	20.0
SMI®	OSMI	0 - 26.6	4.0
		26.7 - 266.6	15%
		266.7 - 9.999.8	40.0
DJ Global Titans 50	OGTI	0 - 5.3	0.8
		5.4 - 53.3	15%
DJ STOXX 600 Sector Indexes (Banks, Healthcare, Insurance, Telecommunication, Technology and Utilities)	OSTB, OSTH, OSTI, OSTY, OSTT, OSTU	53.4 – 999.8	8.0
DJ EURO STOXX Sector Indexes (Automobiles, Banks, Basic Resources, Chemicals, Construction, Cyclical Goods and Services, Energy, Financial Services, Food and Beverage, Healthcare, Industrial Goods and Services, Insurance, Media, Non-Cyclical Goods and Services, Retail, Technology, Telecommunications, Utilities)	OESA, OESB, OESS, OESC, OESN, OESV, OESE, OESF, OESO, OESH, OESG, OESI, OESM, OESZ, OESR, OESY, OEST, OESU		
TecDAX®	OTDX		
Maturity £ 36 Months			
NEMAX® 50	ON50	0 - 24.9	5.0
		25.0 - 249.9	20%
		250.0 – 9,999.8	50.0
24 Months < Maturity £ 60 Months			
DJ EURO STOXX 50, DAX®	ODAX, OESX	0 - 13.3	4.0
		13.4 - 133.3	30%
		133.4 – 9,999.8	40.0
SMI®	OSMI	0 - 26.6	8.0
		26.7 - 266.6	30%
		266.7 – 9,999.8	80.0
60 Months < Maturity £ 119 Months			
DJ EURO STOXX 50	OESX	0 - 13.3	5.0
		13.4 - 133.3	38%
		133.4 – 9,999.8	50.0

6.2.3 Option contracts on interest rate related products

Reference price (Points)	Mistrade Range (Points)
0 - 0.09	0.03
0.10 - 0.29	0.04
0.30 - 0.59	0.06
0.60 - 0.99	0.08
1.00 - 99.99	0.10