X-pand into the Future

e u r e x *circular 064/06*

Date: Frankfurt, April 5, 2006
Recipients: All Clearing Members of Equity and Fixed Income CCP
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Admission of Exchange-Traded Rights to CCP - Stocking-Up Procedure Adjusted

Related Eurex Circular: 049/06

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Content may be most important for:	**Attachment:**
➲ Middle + Back Office ➲ IT / System Administration	CCP Release 3.0 Buy-in User Guide for FWB

Effective March 27, 2006, rights (subscription rights) (i) traded on the floor of Frankfurt Stock Exchange (FSE), (ii) traded on the electronic trading platform of FSE or (iii) entered for clearing and settlement via the electronic trading platform of FSE ("Xetra-OTC") were added to CCP processing.

Eurex circular 049/06 provided details about the new process. As a supplement, today's circular contains a description of the stocking-up procedure which is currently in place for trades respectively deliveries cleared via Eurex Clearing AG.

The attached document is also available on the Eurex website under

www.eurexchange.com > Member Section > Documentation/Manuals CCP > CCP 3.0 > Functional Manuals

For any further questions you may have, please do not hesitate to contact the CCP Functional Helpdesk under tel. +49-69-211-1 19 40 or fax +49-69-211-1 19 41.

CCP Release 3.0

Buy-in User Guide for FWB

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1 Introduction

This Buy-in User Guide describes the provided buy-in functionality. The document contains the Buy-in Process including specific procedures and the Cash Settlement Process in case of unsuccessful buy-in auctions.

The Buy-in Process is applied to failed trades or deliveries resulting from the FWB (Frankfurter Wertpapierbörse).

Furthermore, the description integrates the last update regarding the Buy-in Processing for subscription rights[1]. Starting in March 2006 subscription rights, resulting from corporate actions "additional rights" (already processed by the CCP) and rights traded on FWB or entered via Xetra-OTC "tradable rights" (newly processed via the CCP), are entirely considered in the CCP.

Chapter 2 gives an overview to the Buy-in Process.

Chapter 3 details the Buy-in Processing.

Chapter 4 details the Cash Settlement Procedure.

Chapter 5 regards the corporate actions events in the buy-in context.

Chapter 6 describes the display of buy-in related trade information on the members' graphical user interface (GUI) @X-PERT.

Chapter 7 describes the display of buy-in related trade information in the CCP print reports and raw data files.

[1] Throughout the document the term subscription rights comprises both additional rights (additional trades due to corporate actions) and tradable rights (trades imported from the trading locations Xetra/Xontro-FWB).

2 Buy-in Process Overview

In this chapter an overview of the generic CCP process related to buy-in initiation and cash settlement is given. Thereby the buy-in auctions are tool-supported.

The Buy-in Process consists of transactions within the CCP system, as well as transactions outside of the CCP system, i.e. via the Buy-in Tool and via the Clearstream Banking settlement applications CASCADE and CREATION[2].

2.1 Buy-in Participants

Every Trading Member wishing to go in for auctions can apply for an authorized Buy-in Member status. For the admission a buy-in contract with Eurex Clearing AG must be signed, which can be downloaded from the Member Section on the Eurex website www.eurexchange.com.

The Buy-in Members have access to the web-based Buy-in Tool and are invited to bid in every announced buy-in attempt.[3]

2.2 Buy-in Process Schedule

The Buy-in Process runs according to the following schedule:

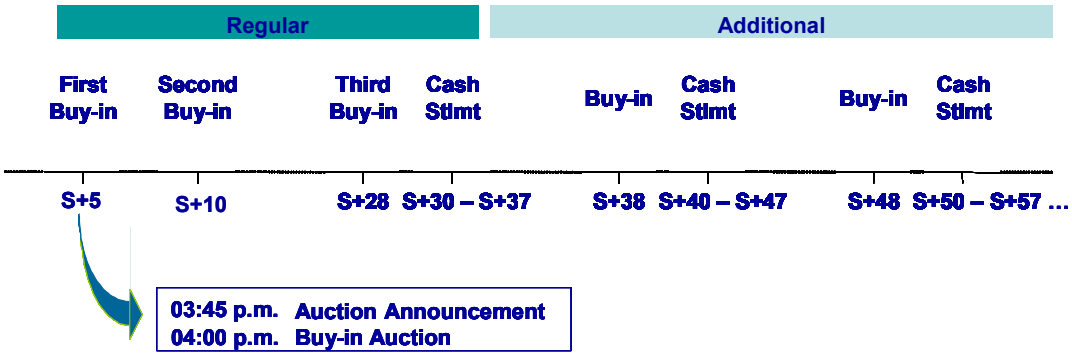
	Schedule (as of January 2005)
First buy-in attempt	S+5
Second buy-in attempt	S+10
Third buy-in attempt	S+28
Cash Settlement	S+30 to 37
Next buy-in attempt	S+38
Cash Settlement	S+40 to 47

The Buy-in Process is initiated by Eurex Clearing AG to settle outstanding failed trades or deliveries that are to be settled at the CSD. It consists of a regular and an additional Buy-in Process. While the regular process comprises a sequence of three buy-in attempts[4] and a cash settlement, in the additional process a buy-in auction and a subsequent cash settlement are performed as long as the preceding attempts have been (partially) unsuccessful.

The original seller of the failed trade has the opportunity of delivering the shares until the first buy-in attempt and in-between the proceeding buy-in and cash settlement attempts.

The Buy-in Process schedule is configurable and looks as follows:

[2] Depending on the custody type of an instrument “CSC” or “NCSC”, CASCADE or CREATION is raised as settlement system.
[3] The admission procedure and user information are described in the separately published Buy-in Tool Guide.
[4] The number of days late as basis for first and second buy-in auction attempts is defined in the Clearing Conditions.



With the extended Buy-in Processing the buy-in auction and cash settlement sequence can be repeated with an open end until the delivery obligation resulting from a late trade has been (completely) fulfilled. Each specific buy-in auction must have been performed before a cash settlement can potentially take place.

A cash settlement for the remaining quantity is initiated for the first time on S+30, if the assigned buy trade(s) is (are) at least 30 days late. The cash settlement can then be attempted during a time period of eight days from S+30 till S+37.

This schedule is only valid for buy-in and cash settlement of late trades; for subscription rights a special processing as described in chapters 2.4 and 3.3 applies.

2.2.1 Buy-in Auction Schedule

A buy-in auction is performed according to this timeline:

03:45 p.m.:	Announcement of buy-in auction
04:00 p.m. – 4:30 p.m.:	Buy-in auction
Until 04:45 p.m.:	Determination of auction result

This schedule is basically adapted to the CASCADE settlement process, i.e., the time frame after completion of SDS2 and before STD. Since in CREATION a “Day Time Processing (DTP)” and a “Night Time Processing (NTP)” are applied, the auction timeline may slightly vary.

In the event of a (partially) unsuccessful buy-in attempt, the next buy-in attempt follows this timeline.

2.2.2 Extraordinary Buy-in Schedule

In exceptional cases Eurex Clearing AG has the right to initiate a buy-in outside of the above mentioned schedule.

An extraordinary buy-in applies in case a scheduled corporate action event for the respective security takes place on a regular buy-in day. The details regarding this extraordinary procedure are contained in the Clearing Conditions.[5]

Hence, Eurex Clearing AG will initiate a buy-in auction outside of the general schedule as follows:

[5] The current Clearing Conditions are available on the Eurex website www.eurexchange.com > About Eurex > Rules & Regulations.

- If the buy-in auction coincides with a corporate action entitlement day of an instrument, it will be postponed for one business day. Hence, a buy-in auction on the entitlement day of a corporate action would be avoided according to this business procedure.
- As subscription rights are in general available for trading and delivery during a restricted period, a special schedule is required to ensure the settlement before the subscription right's expiration date, i.e. at the end of the subscription period.

2.3 Buy-in Process for Subscription Rights

Within the CCP two types of subscription rights are processed:

1. Additional rights are not imported from a trading location, but are added as additional deliveries to the CCP due to corporate action processing.
2. Tradable rights are imported from the trading locations Xetra or Xontro-FWB, i.e. they are traded on FWB or entered in Xetra-OTC.

Both additional and tradable rights can occur in the same ISIN.

With the Buy-in Process for subscription rights[6] a specific procedure is in place considering a disclosure period and a cash settlement if the disclosure was not successful. This procedure applies for additional as well as for tradable rights. The detailed description of the Buy-in Processing of subscription rights is given in chapter 3.3.

2.4 Buy-in Process for NCSC Instruments

The Buy-in Process is performed by Eurex Clearing AG for failed trades or deliveries in NCSC instruments in a similar way like for the other CSC instruments in scope.

Subsequent to a successful buy-in, NCSC trades are instructed via the Clearstream Banking settlement application CREATION. After verification of settlement, their settlement status is set to "buy-in settled", which is reported accordingly.

[6] Throughout the document the term subscription rights comprises both additional rights and tradable rights.

3 Buy-in Processing

3.1 General Principles

A buy-in is performed by Eurex Clearing AG for a failed trade or failed delivery. A failed trade is a late sell trade that is not settled within a specified number of days after its contractual settlement date. A failed delivery results from the obligation to deliver a specified number of subscription rights within the subscription period. For quantities that are contained in an offsetting block no Buy-in Process or Cash Settlement Process is initiated, as here the obligation to deliver securities is offset against the right to receive the same amount of securities.

On the basis of the specified number of days late Eurex Clearing AG takes the following measures:

Eurex Clearing initiates buy-in auctions in order to find buy-in counterparts to deliver the securities in place of the seller of the failed trade. Trades resulting from a buy-in auction are referred to as “buy-in trades”. The buy-in counterpart has the obligation to deliver the buy-in shares to the CCP, whereas the seller of the failed trade legally retains the obligation to deliver until the buy-in trade is settled. This implies that both, the seller of the failed trade and the buy-in counterpart, have a delivery obligation until the settlement of the buy-in trade is verified. As a consequence the failed trade has to be considered as pending within the CCP system up to the settlement of the buy-in trade.
Where it is not possible to receive the total quantity of the failed trade with one buy-in trade, several buy-in trades can be necessary to receive the corresponding quantity of the failed trade. The (several) buy-in trade(s) will be instructed via Clearstream as OTC instructions in the CASCADE system, or in CREATION. The buy-in attempt and the subsequent input of the buy-in trades take place in CASCADE in the timeframe after the end of the SDS2 and before the start of the STD resp. in CREATION before the start of the NTP.
Where the buy-in trade is settled, the obligation of the failed seller to deliver is set to “buy-in settled” in the CCP system for the corresponding quantity of the failed trade. The failed trade remains existent until its total quantity is either settled via buy-in trades, via delivery by the originally failed seller, or via a cash settlement. The seller of the failed trade will be debited via the CCP system with the price difference between failed sell trade and the buy-in trade.
Where the buy-in auctions do not lead to a delivery of the required shares, the trade is still regarded as a failed trade or delivery and subject to further processing. Eurex Clearing AG performs a cash settlement whereby the obligation to deliver the shares is replaced by a cash payment. Eurex Clearing AG determines the affected buy and sell trades, calculates the cash settlement price, creates the corresponding cash transactions and then marks the trades as "cash settled".

Late delivery fines and interest of delay are calculated for any pending part of a failed trade but are currently not charged.

3.2 Buy-in Auction

Buy-ins are performed on an aggregated level, i.e., per Clearing Member and based on the ISIN code, but not based on a failed trade. Hence, multiple failed trades can be subject to one single buy-in auction.

3.2.1 Identification of Buy-in Trades

On a buy-in day, Eurex Clearing AG identifies failed trades or deliveries to be covered by buy-in trades, so called "buy-in candidates", according to the following criteria:

- The sell trade is a certain number of days late (dependent on the settlement schedule outlined above).
- The sell trade is not fully settled on level CCP – Clearing Member (CM).
- The remaining quantity of the sell trade is either part of the surplus or is marked for gross processing.

In case the original buy-in quantity consists of more than one failed trade, the oldest failed trade will be replaced first by the buy-in quantity, i.e., one partial trade is possible.

Eurex Clearing AG differentiates between "regular buy-in candidates" and "irregular buy-in candidates": Regular buy-in candidates are failed trades relevant for a regularly scheduled buy-in. Irregular buy-in candidates are failed trades that are one additional day late related to a regularly scheduled buy-in due to a corporate actions event. Thereby the number of business days is determined based on the CCP calendar and the calendar of Clearstream Banking Frankfurt (CBF), i.e., a business day in this context is defined as a business day in the CCP and at this settlement location.

The named CCP back office staff of the Clearing Member of the original failed seller will be informed about the buy-in auction per fax and/or telephone.

3.2.2 Buy-in Initialization

For the failed trades or deliveries a buy-in is initialized by Eurex Clearing AG via the Buy-in Auction Tool. The auction announcement comprises the following data:

- Auction ID
- ISIN, long name and currency of the instrument
- Start and end time of the auction
- Quantity of the buy-in auction
- Reference price, i.e. last official settlement price from the previous day
- Minimum bid quantity (equal to 5% of the original late quantity)
- Maximum bid price (equal to reference price plus 100%)

Each registered user of the Buy-in Member receives a buy-in auction announcement via e-mail. Orders can be submitted to participate in the buy-in by using the auction tool.

In exceptional cases Eurex Clearing AG can cancel a scheduled buy-in auction. The Buy-in Members' central coordinators as well as the users who entered orders are automatically informed about the auction cancellation via e-mail.

3.2.3 Buy-in Auction Result Notification

A buy-in auction ends after 30 minutes and orders cannot be entered anymore into the Buy-in Tool. Eurex Clearing AG confirms the auction result, which can consist of one, multiple, or no trades.

Each participant will be informed via e-mail about the auction's outcome by a trade confirmation that contains either a receipt notice about the sold quantity or a notice that the participant was not involved into the auction result.

The named CCP back office staff of the Clearing Member of the original, failed seller will be informed about the buy-in auction result per fax and/or telephone.

3.2.4 Buy-in Block / Buy-in Release

A failed trade for which a buy-in auction has been performed successfully the release status "buy-in blocked" is set. The buy-in block becomes effective for the available buy-in quantity of a failed trade. Any quantity of a buy-in blocked trade that was assigned previously to an offsetting block keeps the original release status. In case a trade is partially released, the buy-in block is applied first to the released quantity, then to the blocked quantity.
The buy-in block is set after the end of SDS2 and before the next STD has started, or DTP and NTP respectively. This ensures that the trade at that time is not considered in settlement netting; the available buy-in quantity is excluded from settlement on the level CCP-CM and on the level CM-customer. Moreover, it is ensured that no open delivery instruction for this trade exists, i.e., the whole trade is excluded from Gross Delivery Management transactions (except for trade inquiry in the *Trade Overview*).[7]
If the buy-auction was not successful, the failed trade keeps the original release status and is subject to regular processing.

In the case that the buy-in trade has not been settled it is set to "Buy-in Release". Depending on the custody type, the available buy-in quantity in a CSC instrument will then receive the release status "Block", and in a NCSC instrument the previously set "ISIN Block". The part of the trade that was not affected by the buy-in block retains its member release status.

The buy-in block and buy-in release activity is recorded in the Daily Gross Delivery Management report (CB230). A buy-in blocked trade is marked accordingly on the member GUI and in the Pending Delivery report (CE260).

For details regarding the status display on the GUI in the *Trade Overview* and the *Detailed Trade Information* window see chapters 5.1 and 5.2. Regarding the impacts on the CCP print reports and raw data files see the descriptions in chapters 6.1 and 6.2.

3.2.5 Settlement of the Buy-in Trade

After the completion of a buy-in auction including distribution of trade confirmations via e-mail or fax, one or more buy-in trades are instructed via the CASCADE system in case of a German or foreign CSC instrument, or via the CREATION system in case of a NCSC instrument. The buy-in trade instructions are entered in the respective Clearstream settlement location in the way as described in the following. Thereby the instructions have to be entered during the time period after the execution of the buy-in

[7] For further details regarding the usage of CCP Member GUI please refer to the separately published CCP User Guide and Final Release Notes documentation.

trade and prior to the CASCADE deadline for the STD resp. prior to the CREATION deadline for the NTP.

Afterwards the settlement success is verified and the buy-in trades accordingly handled within the CCP.

3.2.5.1 CASCADE

The buy-in seller resp. the responsible Clearing Member delivers the securities for the upcoming STD settlement run. The buy-in seller enters the buy-in delivery instruction into CASCADE using the "WP-Übertrag/Einzelerfassung" mask:

```
TRAN: KVEE FC: WE SB: ..................................................
AUFTRAGSABWICKLUNG     WP-UEBERTRAG / EINZELERFASSUNG    ERFASSUNGSSTATUS
PRIMANOTE: ....           AUFTNR: 1234567         VWA: GS      TR: .
LAST-KTO : 7513 000
GUT-KTO  : 8505 000
WKN      : I DE0005557508
NOMINALE :        1.000.000,000  EINHEIT:            VERKETTUNG (J/N): N
GEGENWERT:       23.456.987,00   WRG : EUR
SET-DAY  : 24.04.2003            SET-ART : 3 MAS     DISPO-PRIORITÄT : 4 MST
                                 SET-SP(J/N): N      EMISS-EINF (J/N): N
SCHLUSSTAG  : ..........         REFERENZ-NR: 123
EXT SET-DAY : ..........         RUECKUEBERTRAG (J/N): N
KURS        : ......,....        AUFTRAGS-REFERENZ :
WKN D.RECHTS I............
EX-TAG/BEG. : ..........         KE-DATUM: ..........
-- ID-KZ: 7513000004 -- PW:       ------ B7513007 -- 23/04/03 -- 15:32:00 --
PF3:Verarbeitung PF4:Abbruch
```

For entering the instruction, the following requirements have to be met:

- Delivery IDs ("Auftragsnummern") less than 7000000 have to be used by the buy-in seller for the buy-in instruction entry in CASCADE.
- The delivery is instructed for mass settlement, i.e., "SET-ART" equals "3".
- The settlement day is the next business day after the buy-in auction.
- As settlement account of the deliverer ("LAST-KTO") the settlement account of the buy-in counterpart has to be entered. As settlement account of the receiver ("GUT-KTO") always the settlement account 8505 of the CCP has to be entered.
- The security related information (i.e., ISIN, quantity ("NOMINALE"), payable amount ("GEGENWERT"), settlement day ("SET-DAY"), currency ("WRG")) have to be inserted according to the buy-in auction result.
- The order number generated by the Buy-in Tool will be entered as reference ("REFERENZ-NR").

Eurex Clearing AG enters the buy-in trade as "OTC trade" and as match instruction to the delivery instruction of the buy-in seller. Thereby the CCP's delivery IDs ("Auftragsnummern") in the number range from 0000001 to 6999999 are used for the buy-in match instruction entry.

3.2.5.2 CREATION

The buy-in seller resp. the corresponding Clearing Member delivers the securities for the upcoming NTP settlement. The buy-in seller enters the buy-in delivery instruction considering the following particularities:

- The settlement day is the next business day after the Buy-in auction.
- As settlement account of the deliverer the settlement account of the buy-in counterpart has to be entered. As settlement account of the receiver the CCP settlement account 68505 has to be used.
- The order number generated by the Buy-in Tool has to be entered as reference.

Eurex Clearing AG enters the buy-in trade as match instruction to the delivery instruction of the buy-in seller. Thereby the CCP is referencing the member's settlement account that is set up in the CCP.

3.2.5.3 CCP Settlement Verification Procedure

After completion of the STD run resp. of the NTP run, Eurex Clearing AG verifies the receipt of the shares resulting from the buy-in auction.

3.2.5.3.1 Unsuccessful Settlement of the Buy-in Trade

If negative, Eurex Clearing AG investigates whether there was a technical problem on the Buy-in Member's side. A delivery for SDS1 is allowed for trades in German or foreign CSC instruments, whereas for trades in NCSC instruments a day-time-delivery is possible.

In the further processing regarding CSC instruments, upon the occurrence of a technical delivery default the buy-in seller must promptly provide Eurex Clearing AG with a written statement as to the reasons for its delinquency. The relevant buy-in seller further has to promptly remedy the causes of its technical delivery default. In the case that the buy-in seller has not delivered the shares for STD or latest for SDS1, the next step at Eurex Clearing AG is to delete the pending delivery instruction in CASCADE. The next possible seller(s) according to the auction list can be asked to step in. Once the next possible seller has agreed, this participant is obliged to deliver the shares in CASCADE for SDS1 or latest SDS2 in order to ensure settlement on the same settlement day. Corresponding match and delivery instructions have to be entered again into CASCADE.

A similar further processing applies regarding NCSC instruments. In CREATION the pending delivery instruction for the NTP is to be deleted by Eurex Clearing AG as well. A new match instruction by Eurex Clearing AG and a delivery instruction by the next possible seller have to be entered for the DTP.

A buy-in auction is definitely unsuccessful, if no buy-in seller has been found or no buy-in seller has delivered the securities. A buy-in is partially unsuccessful if not the complete buy-in quantity has been covered. The pending delivery instructions in CASCADE for SDS1 or SDS2 as well as in CREATION for the DTP are deleted subsequent to the completion of settlement processing. In this case the failed original trade is buy-in released and considered within the regular late delivery

handling with release status “Block” for CSC instruments and with “ISIN Block” for NCSC instruments.

The original seller’s obligation to deliver the corresponding shares is then still valid – until possibly a next buy-in auction resp. cash settlement is initiated.

3.2.5.3.2 Successful Settlement of the Buy-in Trade

Where the receipt of securities can be confirmed, the original quantity of the failed trade, which corresponds to the quantity of the buy-in trade, is set to “buy-in settled” in order to eliminate the original seller’s delivery obligation. For CASCADE trades the status is set latest after the business day has ended with completion of SDS2, and for CREATION trades latest after the business day has ended with completion of the DTP. The buy-in settlement status only becomes effective for the available buy-in quantity of a failed trade.

The securities the CCP has received via a buy-in are transferred to the buyer.

In the CCP system the corresponding quantity of the failed trade is then treated as “settled” on the levels CCP-CM and CM-customer within the Risk Based Margining calculation, Gross Delivery Management and Net Delivery Management, as well as in the display on the GUI.

In the reporting for the next settlement run at Clearstream Banking the buy-in settled quantity is accordingly displayed in the Settled Delivery report (CE270). For details regarding the status display on the GUI in the *Trade Overview* and the *Detailed Trade Information* window see chapters 5.1 and 5.2. Regarding the impacts on the CCP print reports and raw data files see the descriptions in chapters 6.1 and 6.2.

3.2.6 Buy-in Trade Related Cash Transactions

The cash amount required for the buy-in trade is debited to the Clearing Member of the failed seller two business days after the buy-in. It is calculated as price difference between the unit prices of the failed trades and the average unit price of the buy-in trade(s) multiplied with the quantity.

Eurex Clearing AG enters the cash transactions with value date next business day into the CCP system. Any surplus resulting from price differences between the buy-in and the original trade remains with Eurex Clearing AG and will be credited to the company’s capital reserves. A unit price of the buy-in trade greater than the unit price of the failed trade indicates that Eurex Clearing has paid a greater cash amount for the buy-in trade as it receives from the buyer. Hence, this amount needs to be debited to the Clearing Member of the failed seller. This situation is regarded as typical for buy-ins.

The exceptional event that the unit price of the buy-in trade is smaller than the unit price of the failed trade indicates that Eurex Clearing has paid less than it receives from the buyer. In this case Eurex Clearing AG will trigger that the difference amount is credited to the company’s capital reserves of Eurex Clearing AG. No additional cash transaction is required for this case.

The cash transactions are displayed in the Settled Cash Transactions report (CD250). For details regarding impacts on the CCP print reports and raw data files see the descriptions in chapters 6.1 and 6.2.

3.3 Buy-in Processing of Subscription Rights

Eurex Clearing does not initiate a buy-in auction in order to find counterparties to deliver subscription rights in place of the seller of the failed subscription rights position in German or foreign CSC or in NCSC. Eurex Clearing will perform a disclosure on the last day of the subscription period.

The Buy-in Processing of subscription rights as a specific CCP procedure is following a two step approach:

1. CCP discloses seller and buyer on the last day of the subscription period. A maximum of 10 business days is allowed for a bilateral settlement between both counterparts.
2. CCP executes a cash settlement.

This Buy-in Processing does not distinguish between additional rights and tradable rights.

3.3.1 Last Day of Subscription Period

On the last day of the subscription period, Eurex Clearing AG identifies all surplus and gross trades that are late on level CCP-CM, i.e. did not settle successfully at latest in SDS2 resp. DTP. While subscription rights in NCSC have already received the status “ISIN Block” as soon as the trades were created in the CCP as result of the corporate action, subscription rights in CSC are set to ISIN block on the last day of the subscription period.

Then Eurex Clearing AG discloses the respective counterparts of all these remaining buy and sell trades (surplus and gross) in the subscription right to the affected Clearing Member.

The trades with release status “ISIN Block (IB)” are displayed on the *Trade Overview* and the *Detailed Trade Information* window. In the Pending Delivery report (CE260) the respective trades are marked accordingly on CCP-CM level. The ISIN block action is recorded in the Daily Gross Delivery Management report (CB230). For details regarding the status display on the GUI in the *Trade Overview* and the *Detailed Trade Information* window see chapters 5.1 and 5.2. Regarding the impacts on the CCP print reports and raw data files see the descriptions in chapters 6.1 and 6.2.

3.3.2 Disclosure Period

During the following disclosure period of ten business days the counterparts have the opportunity to bilaterally agree on a regulation of the deliverable part of the original transaction. Whenever the members have confirmed in writing to Eurex Clearing AG a positive settlement feedback, the respective trades receive the settlement status “externally settled”. In the Settled Delivery report (CE270) the trades are marked with “EXTE” on the level CCP-CM and “SETTLED” on level CM-customer.

The cash part of the original transaction not equal to 0 and typical for tradable rights is still regulated between the respective member and ECAG. The cash amount is entered by Eurex Clearing AG with cash transaction type 452 CASH SETTLEMENT RCV used to credit the seller, and with cash transaction type 454 CASH SETTLEMENT PAID used to debit the buyer. Value date for these cash transaction is the following business day.

If the members cannot agree on a regulation bilaterally, or this agreement has not been indicated by both parties to Eurex Clearing AG during the disclosure period respectively latest until 10:00 a.m. on the business day after the tenth day, the trades keep their release status “ISIN Block”. They are considered within step 4 “Cash Settlement”. Detailed descriptions can be found in chapter 4.

3.4 Buy-in Fees

A buy-in fee is debited to the Clearing Member of the original failed seller. This buy-in fee is designed to compensate the effort caused by a Buy-in Processing, hence the fees are charged once for every performed buy-in auction.

Buy-in trades will be considered within the fee calculation. A buy-in fee of 250.00 Euro will be charged per auction to the Clearing Member of the failed seller.

Further details are contained in the current Clearing Conditions which are available in the Rules & Regulations section on the Eurex website www.eurexchange.com.

4 Cash Settlement

The Cash Settlement Process is performed for the quantity of a failed trade relevant for cash settlement.

The cash settlement will be initiated regularly scheduled in case a failed trade has not been fully settled by the predefined number of days after the contractual settlement date, in case the buy-in auctions were not successful, or subsequent to an unsuccessful disclosure for subscription rights.

Cash settlements are expected to occur only in a highly illiquid market – meaning that the market price for the security has risen significantly and that no market participant is willing to sell the security. In such a situation the original seller who sold short the security may be unable to acquire the security in order to deliver to the original buyer. Therefore, the original buyer should obtain compensation for not having received the security they contracted for, as it is likely that they will be unable to re-invest the cash settlement proceeds in the original security.

4.1 Identification of Cash Settlement Trades

On a potential cash settlement day according to the buy-in schedule Eurex Clearing AG identifies cash settlement candidates, i.e., failed sell trades that have not been successfully covered during the buy-in attempts and are to be cash settled. A cash settlement will only be initiated, if at least one corresponding buy trade fulfills the criteria listed below. To settle the failed sell trade one or more corresponding buy trades need to be identified.

The following criteria apply:

- The buy trade belongs either to the surplus or is marked for gross processing.
- The buy trade is not fully settled on level CCP-CM.
- The buy trade is 30 or more days late.

If there are more than one buy trade fulfilling these criteria, the buy trade with the oldest contractual settlement date will be considered first.

Additionally, Eurex Clearing AG identifies cash settlement candidates resulting from a disclosure, i.e., failed sell trades that could not be regulated between the two trading participants bilaterally meanwhile.

To settle the failed sell trade the cash settlement candidates are identified after SDS2 resp. DTP. Depending on the quantity of the failed sell trade(s), one or several buy trades as well as a fraction of a buy trade can be determined.

Before performing the cash settlement, Eurex Clearing AG will inform the named CCP back office staff of the Clearing Members of the failed seller and the selected buyer(s) per fax and/or telephone about the cash settlement.

4.2 Cash Settlement Related Cash Transactions

4.2.1 Cash Settlement Price Calculation for Equities/ETFs

The cash settlement price of failed equity trades or exchange traded funds (ETFs) is determined as the last official settlement price plus an add-on of 100%, whereas the trade prices of the respective buy and sell trades serve as floor:

$$P_{CS} = \text{Max}((P_L * 2); P_B; P_S)$$

Legend:

P_{CS} = Cash settlement price

P_L = Last official settlement price

P_B = Price of buy trade

P_S = Price of sell trade

Example:

Last Settlement Price: 50

Sell trade

#	Stl-Date	Qty	Price
1	09.05.2003	400	110

Buy trades

#	Stl-Date	Qty	Price
1	06.05.2003	200	115
2	08.05.2003	200	105

Two settlement prices are calculated in this example. The number of cash transactions depends on the number of involved members.

The cash amount required for the cash settlement is debited to the Clearing Member of the failed seller, which is calculated as the price difference between the defined cash settlement price and the failed trade price times quantity. The Clearing Member(s) of the buyer(s) of the identified trade(s) is/are credited with a compensation amount, which is calculated as the price difference between the defined cash settlement price and the trade price of the respective buy trade times quantity.

The cash amount required is entered by Eurex Clearing AG with cash transaction type 452 CASH SETTLEMENT RCV used to credit the buyer, and with cash transaction type 454 CASH SETTLEMENT PAID used to debit the failed seller. Value date for these cash transaction is the following business day.

The settled cash transactions are displayed in the Settled Cash Transactions report (CD250). For details regarding the impacts on the CCP print reports and raw data files see the descriptions in chapters 6.1 and 6.2.

A cash settlement fee is currently not considered.

4.2.2 Cash Settlement Price Calculation for Subscription Rights

The cash settlement price of failed deliveries in subscription rights is determined as their calculative value on the day the cash settlement takes place plus 100%, whereas the trade prices of the respective buy and sell trades serve as floor:

$$P_{CS} = \text{Max}\ ((P_L * 2);\ P_B;\ P_S)$$

Legend:

P_{CS} = Cash settlement price

P_L = Calculative value of the subscription right on the day the cash settlement takes place

P_B = Price of buy trade (for additional rights this price is zero)

P_S = Price of sell trade (for additional rights this price is zero)

The cash amount required is entered by Eurex Clearing AG with cash transaction type 452 CASH SETTLEMENT RCV used to credit the buyer, and with cash transaction type 454 CASH SETTLEMENT PAID used to debit the failed seller. Value date for these cash transaction is the following business day.

The settled cash transactions are displayed in the Settled Cash Transactions report (CD250). For details regarding the impacts on the CCP print reports and raw data files see the descriptions in chapters 6.1 and 6.2.

A cash settlement fee is currently not considered.

4.3 Settlement of Cash Settlement Trades

After completion of SDS2 resp. DTP on the cash settlement day and before the next STD resp. NTP, Eurex Clearing AG sets the failed sell trade and the corresponding buy trade(s) to “cash settled”, which eliminates the original seller’s delivery obligation.

In the CCP system the corresponding quantity of the failed trade is treated as “settled” on the levels CCP-CM and CM-customer within the Risk Based Margining calculation, Gross Delivery Management, Net Delivery Management as well as in the display on the GUI.

In the reporting for the next settlement run at CBF the cash settled quantity is displayed with status “CASH” on CCP-CM level in the Settled Delivery report (CE270).

For details regarding the status display on the GUI in the *Trade Overview* and the *Detailed Trade Information* window see the next chapters 5.1 and 5.2. Regarding the impacts on the CCP print reports and raw data files see the descriptions in chapters 6.1 and 6.2.

5 Buy-in Related Information on @X-PERT Member GUI

5.1 Trade Overview

Where a buy-in auction successfully took place, after SDS2 resp. DTP, Eurex Clearing AG buy-in blocks the original failed trades to exclude them from Gross Delivery Management (except inquiry) as well as the regular settlement processing. The buy-in block does not impact any quantity of a failed trade not belonging to a surplus and not marked for gross processing, i.e., this trade quantity is still available for Gross Delivery Management as well as considered in the settlement processing.

The release status of a buy-in blocked sell trade is displayed as “BI“ on the *Trade Overview*. For buy-in blocked trades the delivery indicator is not applicable and therefore accordingly shown with “NA”.

After the completion of the buy-in auction, in the CCP system the buy-in quantity is set to “buy-in settled” in case of a positive result, or to “buy-in released” in case of an unsuccessful auction. However, no new values will be displayed on the *Trade Overview*: after a buy-in release the release status “BL“ for “Block“ is displayed; for buy-in settled, externally settled and cash settled trades the settlement status “S“ for “Settled“ is displayed. Hence, these trades can be inquired until the end of business day, analog to regularly settled trades.

At the end of the subscription period the release status “IB” is set for the subscription rights in the affected ISIN code and displayed in the *Trade Overview*. Since the ISIN block has only an impact on trades that are part of the surplus or marked for gross processing, the status is only displayed for a delivery that shows an “external delivery (EX)”, a “trade split (TS)” or a “non-applicability (NA)”.

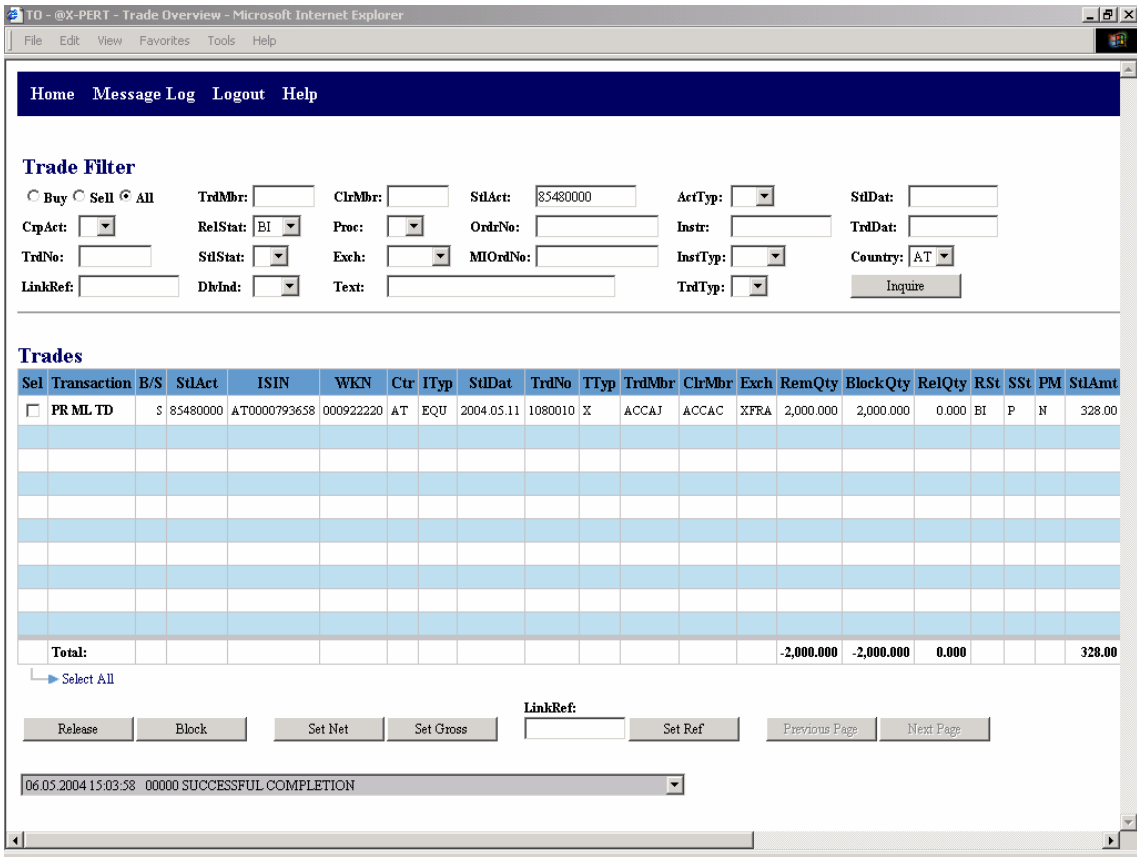


Figure 1: *Trade Overview*

The general description of the *Trade Overview* can be found in the CCP User Guide.

5.2 Detailed Trade Information

The display of the release and settlement status in the context of the Buy-in and Cash Settlement Processing are provided for the *Detailed Trade Information* window in the same way as for the *Trade Overview*.

The release status “BI“ for buy-in blocked trades, the settlement status “S“ for “Settled“ resp. the release status “BL“ for “Block“ after a buy-in release, as well as the release status “IB” for “ISIN Block” due to the specific Buy-in Processing of subscription rights in the respective ISIN code, are displayed in the *Detailed Trade Information* window with delivery indicators as specified above.

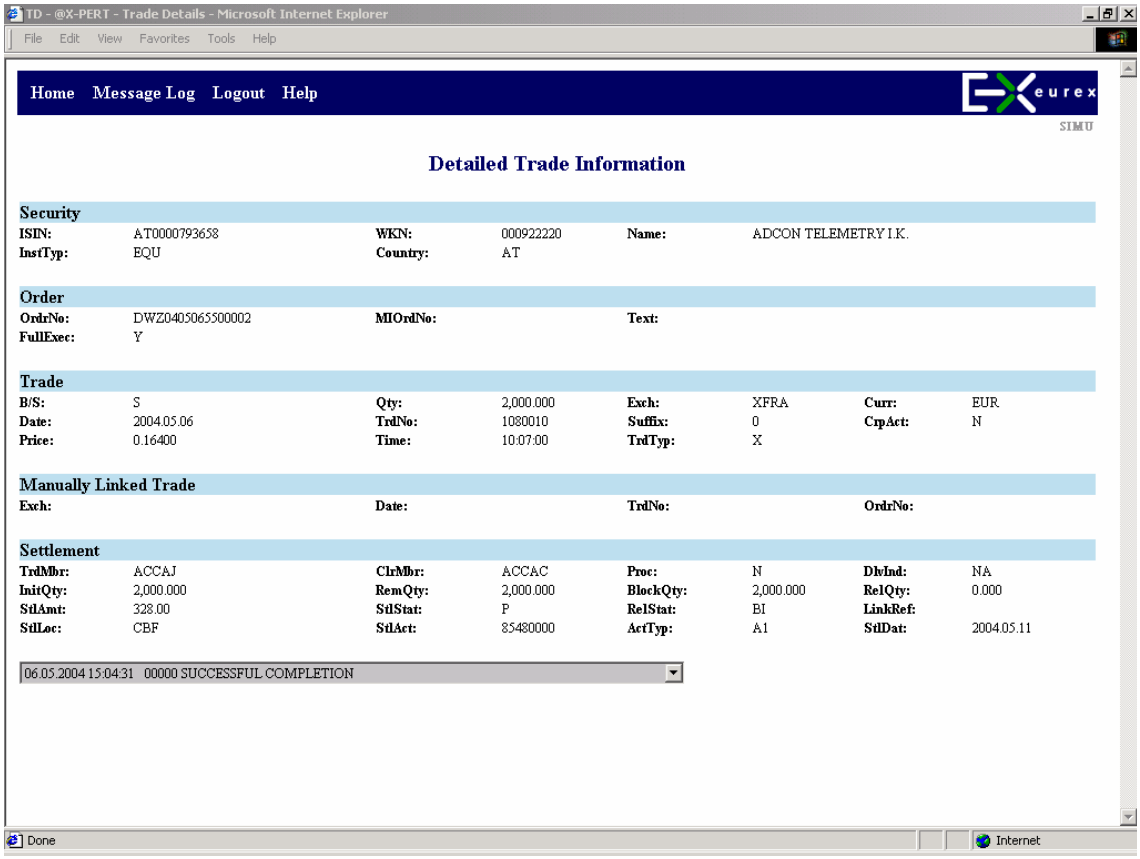


Figure 2: *Detailed Trade Information*

The general description of the *Detailed Trade Information* window can be found in the CCP User Guide.

6 Buy-in Related Information in CCP Reports

The impact of the Buy-in Processing on the reporting concerns the formatted print reports as well as the raw data files, which are described separately in the following two chapters.

6.1 Formatted Reports (RPT)

6.1.1 RPTCB230 Daily Gross Delivery Management

This report includes the buy-in block and buy-in release activities on a failed sell trade performed by Eurex Clearing AG. The field TRANSACT is filled with “BIBL“ for “Buy-in Block” and “BIRL“ for “Buy-in Release”.

The example shows two buy-in blocked trades with a quantity of each 100 shares. Additionally, a buy-in released trade is displayed to completely show the new values available in the report.

```
  0        1        2        3        4        5        6        7        8        9        10       11       12       13
  01234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012
01|EUREX                                          DAILY GROSS DELIVERY MANAGEMENT                                          PAGE:       2
02|RPTCE230                                                                                                      AS OF DATE: 14-04-04
03|                                                                                                               RUN DATE: 14-04-04
04|
05|SETTLEMENT ACCT : 12345678                    SETTLEMENT LOCATION: CBF
06|CLEARING MEMBER : YABER YAB BANK AG
07|EXCHANGE MEMBER : YABER YAB BANK AG
08|
09|            TRAD  TRADE   TRADE    MAINT    MAINT   ORDER                                                                PERFORMED
10|     ISIN    LOCA  DATE    NUMBER   DATE     TIME    NUMBER          NOMINAL/QUANTITY  TRANSACT    QUANTITY    TRAD ID     BY
11|------------ ---- -------- -------- -------- -------- ---------------- ----------------- ---------- ----------- -------- ---------
12|DE0005001002 XETR 05-04-04 0000139 14-04-04 14:17:19 0000000277163268          100.00-  BIBL          100.00          EUREXMBRSPV
13|DE0005008007 XFRA 05-04-04 0000162 14-04-04 14:22:03 0000000377163285          100.00-  BIBL          100.00          EUREXMBRSPV
14|DE0005008007 XFRA 02-04-04 2000030 14-04-04 14:33:01 0000000000000192          200.00-  BIRL          200.00          EUREXMBRSPV
15|
...
```

Report Example 1: *RPTCB230 Daily Gross Delivery Management*

In the context of the specific Buy-in Processing for subscription rights the block and release of an ISIN code is recorded in this report. The transaction type “TRAN” is filled with the value “IBL” for “ISIN Block” and with “IRL” for “ISIN Release”.

The general description of the Daily Gross Delivery Management report (CB230) can be found in the Final Description Report Layouts and Raw Data.

6.1.2 RPTCE260 Pending Delivery Report

This report is generated within the end of business day processing. A failed sell trade, for which the buy-in auction was successful, is set to “buy-in blocked” after SDS2 resp. DTP and the status “BIBL“ is shown in the report in column “CM-CUST STAT“.

Depending on the delivery category a buy-in blocked trade quantity is recorded as follows:

- The buy-in blocked quantity is part of the surplus: In this case the trade with status “BIBL” can be found in the section “NET DELIVERY INFORMATION“.
- The buy-in blocked trade is marked for gross processing: In this case the trade with status “BIBL” can be found in the section “DELIVERIES MARKED FOR GROSS PROCESSING“.

Quantities of buy-in blocked trades belonging to the offsetting block (i.e., belonging to the sections "OFF-SETTING POSITION INFORMATION – CASH SETTLEMENT PENDING ON LEVEL CCP – CLEARING MEMBER" as well as "OFF-SETTING POSITION INFORMATION – SETTLEMENT PENDING ON CLEARING MEMBER – CUSTOMER") will not be affected with respect to the display in this report.

The report example displays two buy-in blocked trades, while one trade is considered in the net delivery processing and one the in gross delivery processing. Additionally, the buy-in released trade is displayed having received the status "Block".

```
0        1         2         3         4         5         6         7         8         9         10        11        12        13
  0123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012
01|EUREX                                                PENDING DELIVERY REPORT                                                PAGE:        1
02|RPTCE260                                                                                                                AS OF DATE: 14-04-04
03|                                                                                                                          RUN DATE: 14-04-04
04|SETTLEMENT ACCT: 12345678          SETTLEMENT LOCATION: CBF      HEAD SETTLEMENT ACCT: 12345678       HEAD SETTLEMENT LOC: CBF
05|CLEARING MEMBER: YABER      CURRENCY: EUR      INSTRUMENT: VAR      Varta AG NA O.N.                    DE0005001002      TYPE: EQUITY
06|ACCOUNT: PP           EXCHANGE MEMBER: YABER
07|
08|INFORMATION LISTED: NET DELIVERY INFORMATION
09|
10|                                              MEMBER INT       ORD                                  NO.  CCP-  CM-
11|TRADE    SETTL    TRAD TRD  TRADE  ORDER          ORDER NUMBER /    NET       TRADE              TRADE     DAYS CM    CUST  C
12|DATE     DATE     LOC  TYP  NUMBER NUMBER           TEXT          TYPE NOMINAL/QUANTITY SETTLEMENT AMOUNT LATE STAT  STAT  A
13|-------- -------- ---- ------- ---------- ----------------  -  ---------- ---------------- ---- ----  ----  -
14|05-04-04 07-04-04 XEIR  O   0000139 0000000277163268 0000000R70E04445   N         100.000-        6,500.00     6 LATE  BIBL  N
15|                                         1DIESESTEXTFELDI
16|TOTAL QTY/AMT OF NET DELIVERY ID: N/A          DELIV QTY:        100.000-       DELIV SETTLEM AMT:      6,500.00
17|
18|                                                                                 ----------------
19|                                         TOTAL AMOUNT PER INFORMATION LISTED :          6,500.00
…
70|
71|SETTLEMENT ACCT: 12345678          SETTLEMENT LOCATION: CBF      HEAD SETTLEMENT ACCT: 12345678       HEAD SETTLEMENT LOC: CBF
72|CLEARING MEMBER: YABER       CURRENCY: EUR       INSTRUMENT: ADL      ADLER AG NA O.N.                 DE0005008007      TYPE: EQUITY
73|ACCOUNT: PP           EXCHANGE MEMBER: YABER
74|
75|INFORMATION LISTED: DELIVERIES MARKED FOR GROSS PROCESSING
76|
77|
78|                                              MEMBER INT       ORD                                  NO.  CCP-  CM-
79|TRADE    SETTL    TRAD TRD  TRADE  ORDER          ORDER NUMBER /    NET       TRADE              TRADE     DAYS CM    CUST  C
80|DATE     DATE     LOC  TYP  NUMBER NUMBER           TEXT          TYPE NOMINAL/QUANTITY SETTLEMENT AMOUNT LATE STAT  STAT  A
81|-------- -------- ---- ------- ---------- ----------------  -  ---------- ---------------- ---- ----  ----  -
82|05-04-04 07-04-04 XFRA  X   0000162 0000000377163285 0000123456789012   N         100.000-        6,500.00     6 LATE  BIBL  N
83|DELIVERY ID: N/A                         MEMBER TEXT 2
84|02-04-04 05-04-04 XFRA  X   2000030 0000000000000192 A9876IO99          N         200.000-       11,320.00     7 LATE  BLOC  N
85|DELIVERY ID: N/A                         FREE TEXT
86|                                                                                 ----------------
87|                                         TOTAL AMOUNT PER INFORMATION LISTED :         17,820.00
88|
…
```

Report Example 2: *RPTCE260 Pending Delivery Report*

In the context of the specific Buy-in Processing for subscription rights the "ISIN block" is recorded in this report in the "CCP-CM STATUS" field with the value "IBL".

The general description of the Pending Delivery report (CE260) can be found in the Final Description Report Layouts and Raw Data.

6.1.3 RPTCE270 Settled Delivery Report

Buy-in and cash settlement performed by Eurex Clearing AG are displayed in this report in column "CCP-CM STATUS" after the settlement run following the manual settlements. Buy-in settled sell trades receive the settlement status "BUYI", whereas cash settled buy and sell trades or subscription rights in the context of specific Buy-in Processing receive the settlement status "CASH".

The quantities marked as buy-in settled or cash settled are displayed in the section “NET DELIVERY INFORMATION“ where the trade is part of the surplus, resp. in the section “DELIVERIES MARKED FOR GROSS PROCESSING“ where the trade is marked for gross processing.

The report example displays two trades as “buy-in settled”. Additionally, cash settled trades are displayed both on the sell and the buy side.

```
0        1         2         3         4         5         6         7         8         9         10        11        12        13
  0123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012
01|EUREX                                              SETTLED DELIVERY REPORT                                                PAGE:       1
02|RPTCE270                                                                                                                AS OF DATE: 15-04-04
03|                                                                                                                          RUN DATE: 15-04-04
04|SETTLEMENT ACCT: 12345678                          SETTLEMENT LOCATION:  CBF              SETTLEMENT CYCLE: SDS2
05|HEAD SETTLEMENT ACCT: 12345678                     HEAD SETTLEMENT LOC:  CBF
06|CLEARING MEMBER: YABBR     CURRENCY: EUR
07|INSTRUMENT: VAR     VARTA AG NA O.N.              DE0005001002      TYPE: EQUITY      CORPORATE ACTION: NO
08|ACCOUNT: PP            EXCHANGE MEMBER: YABBR
09|
10|INFORMATION LISTED: NET DELIVERY INFORMATION
11|
12|                                                  MEMBER INT    ORD
13|TRAD TRD TRADE    SETTLEM  TRADE        ORDER        ORDER NUMBER / NET                                                CCP-CM  CM-CUST
14|LOC  TYP DATE     DATE     NUMBER       NUMBER          TEXT       TYPE NOMINAL/QUANTITY SETTLEMENT AMOUNT  STATUS   STATUS
15|---- -------- -------- ------- ---------------- ----------------  -  ---------------- ----------------  ------- -------
16|XFRA  X  04-03-04 08-03-04 0000002 0000000277163258 0000123456789012  N        4,400.000-       440,000.00   CASH    SETTLED
17|                                                ABCDEFGHIJABC
18|XEIR  O  05-04-04 07-04-04 0000139 0000000277163268 0000000R70ED4445  N          100.000-         6,500.00   BUYI    SETTLED
19|                                                1DIESESTEXTFELDI
20|
21|                                                 TOTAL AMOUNT PER INFORMATION LISTED:       446,500.00
…
76|
77|
78|SETTLEMENT ACCT: 12345678                          SETTLEMENT LOCATION:  CBF              SETTLEMENT CYCLE: SDS2
79|HEAD SETTLEMENT ACCT: 12345678                     HEAD SETTLEMENT LOC:  CBF
80|CLEARING MEMBER: YABBR     CURRENCY: EUR
81|INSTRUMENT: ADL     ADLER AG NA O.N.              DE0005008007      TYPE: EQUITY     CORPORATE ACTION: NO
82|ACCOUNT: PP            EXCHANGE MEMBER: YABBR
83|
84|INFORMATION LISTED: DELIVERIES MARKED FOR GROSS PROCESSING
85|
86|                                                  MEMBER INT    ORD
87|TRAD TRD TRADE    SETTLEM  TRADE        ORDER        ORDER NUMBER / NET                                                CCP-CM  CM-CUST
88|LOC  TYP DATE     DATE     NUMBER       NUMBER          TEXT       TYPE NOMINAL/QUANTITY SETTLEMENT AMOUNT  STATUS   STATUS
89|---- -------- -------- ------- ---------------- ----------------  -  ---------------- ----------------  ------- -------
90|XFRA  X  04-03-04 08-03-04 0010021 0000000288163398 0000123456789012  N          300.000-         3,300.00   CASH    SETTLED
91|DELIVERY ID: N/A                                 TEXT2
92|XFRA  X  05-04-04 07-04-04 0000162 0000000377163285 0000123456789012  N          100.000-         6,500.00   BUYI    SETTLED
93|DELIVERY ID: N/A                                 MEMBER TEXT 2
94|                                                                                          ----------------
95|                                                  TOTAL AMOUNT PER INFORMATION LISTED:         9,800.00
96|                                                                                          ----------------
…

0        1         2         3         4         5         6         7         8         9         10        11        12        13
  0123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012
01|EUREX                                              SETTLED DELIVERY REPORT                                                PAGE:       1
02|RPTCE270                                                                                                                AS OF DATE: 15-04-04
03|                                                                                                                          RUN DATE: 15-04-04
04|SETTLEMENT ACCT: 44556677                          SETTLEMENT LOCATION:  CBF              SETTLEMENT CYCLE: SDS2
05|HEAD SETTLEMENT ACCT: 44556677                     HEAD SETTLEMENT LOC:  CBF
06|CLEARING MEMBER: ABCBK     CURRENCY: EUR
07|INSTRUMENT: BAY     BAYER AG O.N.                 DE0005752000      TYPE: EQUITY      CORPORATE ACTION: NO
08|ACCOUNT: A1            EXCHANGE MEMBER: DEFFR
09|
10|INFORMATION LISTED: NET DELIVERY INFORMATION
11|
12|                                                  MEMBER INT    ORD
13|TRAD TRD TRADE    SETTLEM  TRADE        ORDER        ORDER NUMBER / NET                                                CCP-CM  CM-CUST
14|LOC  TYP DATE     DATE     NUMBER       NUMBER          TEXT       TYPE NOMINAL/QUANTITY SETTLEMENT AMOUNT  STATUS   STATUS
15|---- -------- -------- ------- ---------------- ----------------  -  ---------------- ----------------  ------- -------
16|XEIR  O  29-03-04 03-04-04 0000001 0000000277163257 0000123456789012  N          200.000         20,300.00-  CASH    SETTLED
17|                                                ABCDEFGH
18|
19|                                                 TOTAL AMOUNT PER INFORMATION LISTED:        20,300.00-
…
76|
77|
78|SETTLEMENT ACCT: 44556677                          SETTLEMENT LOCATION:  CBF              SETTLEMENT CYCLE: SDS2
79|HEAD SETTLEMENT ACCT: 44556677                     HEAD SETTLEMENT LOC:  CBF
80|CLEARING MEMBER: ABCBK     CURRENCY: EUR
81|INSTRUMENT: BAY     BAYER AG O.N.                 DE0005752000      TYPE: EQUITY     CORPORATE ACTION: NO
82|ACCOUNT: A1            EXCHANGE MEMBER: DEFFR
83|
84|INFORMATION LISTED: DELIVERIES MARKED FOR GROSS PROCESSING
85|
```

```
86|                                                    MEMBER INT    CRD
87|TRAD TRD TRADE    SETTLEM  TRADE        ORDER        ORDER NUMBER / NET                                          CCP-CM  CM-CUST
88|LOC  TYP DATE     DATE     NUMBER       NUMBER         TEXT       TYPE NOMINAL/QUANTITY SETTLEMENT AMOUNT  STATUS  STATUS
89|---- -------- -------- ------ ---------- ---------- ---------- - ---------- ---------- ---------- ------- -------
90|XFRA X  05-04-04 07-04-04 0010021 0000000288163398 0000123456789012 N          500.000       30,500.00- CASH    SETTLED
91|DELIVERY ID: N/A                          TEXT2
92|                                                                                        ----------
93|                                                TOTAL AMOUNT PER INFORMATION LISTED:       30,500.00-
94|                                                                                        ----------
...
```

Report Example 3: *RPTCE270 Settled Delivery Report*

Additionally, in the context of the specific Buy-in Processing for subscription rights the settlement status “externally settled” is shown in this report in the “CCP-CM STATUS” field with the value “EXTE”.

The general description of the Settled Delivery report (CE270) can be found in the Final Description Report Layouts and Raw Data.

6.1.4 RPTCD250 Settled Cash Transactions Report

Late Delivery Fines (LDF) and Interests of Delay (IoD) are determined currently for information purposes only. LDF are calculated as percentage of the settlement amount for any pending part of a failed trade. LDF and IoD are not charged to the late seller, and IoD are not credited to the late delivered Clearing Member of the buyer.

Eurex Clearing AG debits the cash amount required for the buy-in trade to the Clearing Member of the failed seller using the cash transaction type 450 BUY-IN CASH AMT PAID. Eurex Clearing AG debits the cash amount required for the cash settlement to the Clearing Member of the failed seller using the cash transaction type 454 CASH SETTLEMENT PAID. The corresponding compensation amount is credited to the respective Clearing Member of the buyer(s) of the identified trade(s) using the cash transaction type 452 CASH SETTLEMENT RCV.

The settled cash transactions of these types are displayed accordingly in this report in the fields “TYPE” and “DESCRIPTION”.

The report example displays the buy-in amounts for the buy-in settled trades as well as the cash settlement amounts for the cash settlement examples.

```
0        1         2         3         4         5         6         7         8         9         10        11        12        13
  0123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012
01|EUREX                                        SETTLED CASH TRANSACTIONS                                                PAGE:       2
02|RPTCD250                                                                                                  AS OF DATE: 15-04-04
03|                                                                                                          RUN DATE: 15-04-04
04|
05|CLEARING MEMBER         : YABER YAB BANK AG                                                                CURRENCY: EUR
06|LZB ACCOUNT             : 55533341
07|VALUE DATE               : 16-04-04
08|
09|SETTLEMENT   SETTL ACCT EXCH    TRAN      TRAN
10|ACCOUNT      LOC   TYPE MEMBR   DATE      TIME     REF      TYPE      DESCRIPTION              DEBIT           CREDIT
11|------------ ----- ---- ------ -------- -------- -------- ------ ------------------------ --------------- ---------------
12|12345678     CBF   PP   YABER  15-04-04 09:05:20 000000011   450  BUY-IN CASH AMT PAID          500.00-            0.00
13|12345678     CBF   PP   YABER  15-04-04 09:06:07 000000012   450  BUY-IN CASH AMT PAID        1,000.00-            0.00
14|12345678     CBF   PP   YABER  15-04-04 09:07:10 000000013   454  CASH SETTLEMENT PAID      220,000.00-            0.00
15|12345678     CBF   PP   YABER  15-04-04 09:08:17 000000014   454  CASH SETTLEMENT PAID        2,700.00-            0.00
16|                                                                                           --------------- ---------------
17|                                                TOTAL FOR EXCHANGE MEMBER:                 224,200.00-            0.00
18|                                                                                           --------------- ---------------

Information on calculation
Ref 000000011: (Price of failed sell trade - Price buy-in)*shares = (65-70)*100 = 500
Ref 000000012: (Price of failed sell trade - Price buy-in)*shares = (65-75)*100 = 1,000
Ref 000000013: (Cash Settlement price - Price of failed sell trade)*shares = (150-100)*4,400 = 220,000
Ref 000000013: (Cash Settlement price - Price of failed sell trade)*shares = (20-11)*300 = 2,700
```

```
0        1         2         3         4         5         6         7         8         9         10        11        12        13
  0123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012
01|EUREX                                                  SETTLED CASH TRANSACTIONS                                        PAGE:       2
02|RPTCD250                                                                                                          AS OF DATE: 15-04-04
03|                                                                                                                   RUN DATE: 15-04-04
04|
05|CLEARING MEMBER        : ABCBK  ABC BANK (DEUTSCHLAND) AG                                                          CURRENCY: EUR
06|LZB ACCOUNT            : 66677789
07|VALUE DATE             : 16-04-04
08|
09|SETTLEMENT   SETTL ACCT EXCH    TRAN      TRAN
10|ACCOUNT      LOC   TYPE MEMBR   DATE      TIME     REF      TYPE     DESCRIPTION              DEBIT          CREDIT
11|------------ ----- ---- ------ -------- -------- -------- ------ ------------------------ -------------- --------------
12|44556677     CBF   A1   DEFFR  15-04-04 14:21:00 000004130   452  CASH SETTLEMENT RCV            0.00-         3,700.00
13|44556677     CBF   A1   DEFFR  15-04-04 14:23:54 000004131   452  CASH SETTLEMENT RCV            0.00-         9,500.00
14|                                                                                                 -------------- --------------
15|                                                  TOTAL FOR EXCHANGE MEMBER:                     0.00-         13,200.00
16|                                                                                                 -------------- --------------

Information on calculation
Ref 000004130: (Cash Settlement price - Price of buy trade)*shares = (120-101,5)*200 = 3,700
Ref 000004131: (Cash Settlement price - Price of buy trade)*shares = (80-61)*500 = 9,500
```

Report Example 4: *RPTCD250 Settled Cash Transactions Report*

The general description of the Settled Cash Transactions report (CD250) can be found in the Final Description Report Layouts and Raw Data.

6.1.5 RPTCB310 Daily Notification on Service Fees

For each performed buy-in auction a buy-in fee of EUR 250 is charged to the Clearing Member of the original failed seller.

In this report in the field “SERVICE” the buy-in auction is specified as “BUY-IN FEE”.

The report example displays the buy-in fee of EUR 250 for the buy-in auction for DE0005001002.

```
  0        1         2         3         4         5         6         7         8         9         10        11        12        13
  0123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012
01|EUREX                                                DAILY NOTIFICATION ON SERVICE FEES                                 PAGE:       1
02|RPTCB310                                                                                                          AS OF DATE: 15-04-04
03|                                                                                                                   RUN DATE: 15-04-04
04|CLEARING MEMBER: YABFR              SETTLEMENT LOCATION: CBF            SETTLEMENT ACCT: 12345678
05|TRADING MEMBER : YABFR              SETTLEMENT INSTITUTION: XYZFR
06|ISIN           : DE0005001002       ACCT TYPE          : PP             TRADING LOCATION: XEIR              CURRENCY: EUR
07|
08|
09|           SERVICE                        NUMBER             FEE
10|-------------------------------          ----------      --------------
11|
12|BUY-IN FEE                                        1            250.0000
15|                                                                --------------
16|TOTAL FEE                                                       250.0000
17|
…
```

Report Example 5: *RPTCB310 Daily Notification on Service Fees*

The general description of the Daily Notification on Service Fees report (CB310) can be found in the Final Description Report Layouts and Raw Data.

6.2 Raw Data Files (RAW)

6.2.1 RAWCB230 Daily Gross Delivery Management

The field “Transaction” is filled with “BIBL“ for “Buy-in Block” and “BIRL“ for “Buy-in Release”.

Additionally, in the context of the specific Buy-in Processing for subscription rights, in the field “Transaction” the values “IBL” for “ISIN Block” and “IRL” for “ISIN Release” are displayed.

The general description of the Daily Gross Delivery Management raw data file (CB230) can be found in the Final Description Report Layouts and Raw Data.

6.2.2 RAWCE260 Pending Delivery Report

Within the field 70E Transaction Details Narrative the following subfields are filled in case of Buy-in Processing:

The label /CCPSTAT for the settlement status on level CCP-CM is filled with “IBL” in case of an “ISIN Block”.

The label /CMSTAT for the settlement status on level CM-customer is filled with “BIBL” in case of a “Buy-in Block”.

The general description of the Pending Delivery raw data file (CE260) can be found in the Final Description Report Layouts and Raw Data.

6.2.3 RAWCE270 Settled Delivery Report

Within the field 70E Transaction Details Narrative the following subfields are filled in case of buy-in and cash settlement:

The label /CCPSTAT for the settlement status on level CCP-CM is filled with “EXTE” for an “external settlement” of a subscription right. The label /CMSTAT for the settlement status on level CM-customer is then filled with “SETTLED”.

The label /CCPSTAT is filled with “BUYI” for a successful settlement of the buy-in trade, and the field is filled with “CASH” for a cash settled sell and corresponding buy trade as well as for subscription rights. The label /CMSTAT is then filled on both cases with “SETTLED” as well.

The general description of the Settled Delivery report raw data file (CE270) can be found in the Final Description Report Layouts and Raw Data.

6.2.4 RAWCD250 Settled Cash Transactions Report

In the field “Transaction Type” the following codes of transaction are recorded for the respective payments:

“450” – Buy-in cash amount paid
“452” – Cash settlement received
“454” – Cash settlement paid

The general description of the Settled Cash Transactions raw data file (CD250) can be found in the Final Description Report Layouts and Raw Data.

6.2.5 RAWCB310 Daily Notification on Service Fees

In the field “Service” the buy-in service and the respective fees invoked are specified accordingly.

The general description of the Daily Notification on Service Fees raw data file (CB310) can be found in the Final Description Report Layouts and Raw Data.