X-pand into the Future

e u r e x *circular 090/06*

Date: Frankfurt, May 8, 2006
Recipients: All Eurex Clearing Members and vendors
Authorized by: Daniel Gisler

Action Required **High Priority**

Aggregation of Customer Orders in the OTC Block Trade Entry Facility

Related Eurex Circular: 247/05

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Content may be most important for:	**Attachment:**
➲ Front Office / Trading ➲ Middle + Back Office	Updated sections of Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

In its session on May 3, 2006, the Executive Board of Eurex Clearing AG decided that block trades by different customers may be combined to one Block Trade transaction, provided that each single trade does not fall below the minimum amount of block trades determined by Eurex Clearing AG for the respective product.

Please note the modifications in the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation), which will come into effect on **May 22, 2006**. The updated section of the General Conditions for Participation is attached to this circular.

Eurex Clearing AG will supervise compliance with Number 2.4.2 of the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation). For supervision purposes, Eurex Clearing AG may ask all members to provide evidence in the respective Block Trade transaction. If such is the case, evidence must be brought forward without delay. Pursuant to Number 17 of the General Conditions for Participation, participants who are culpably in breach of the regulation mentioned above are bound to pay the agreed contract penalty of EUR 2,500 for each individual violation. In such a connection, Eurex Clearing AG reserves the right to claim further damages. In case of repeated violations, pursuant to Number 6.2 of the General Conditions for Participation, Eurex Clearing AG may expel participants temporarily or permanently from the use of the OTC Block Trade Entry Facility.

[….]

2 Subject Matter

[….]

2.4 Block Trades

2.4.1 The Block Trade Facility provides Participants, for their own account or on behalf of a customer, with the possibility to enter, pursuant to the provisions set out below, transactions concluded off-exchange concerning futures and options contracts which are tradable on Eurex and which are admitted to the Block Trade Facility pursuant to section 9.2, into the Eurex Clearing System by means of a request to be sent to the respective Participant's interface, and to have them cleared. In future, Eurex Clearing AG may include additional contracts in the Block Trade Facility, or may exclude previously included contracts.

2.4.2 A "Block Trade" within the meaning of these Conditions shall have occurred if a Participant, for its own account or on behalf of ~~a single~~ customers, has agreed, off-exchange, with another Participant or one ~~another~~ single or several customers, on the purchase/sale of one or more of the products set out in section 9.3, ~~provided that~~and if the number of contracts is not less than the minimum number specified in section 9.3. Insofar, transactions of different customers may be subsumed to one block trade, provided that the respective transaction of each of these customers is not less than aforementioned minimum number.~~,~~

~~and provided f~~Furthermore, ~~that~~ the specifications of ~~such~~ the contracts of a block trade must correspond to the contract specifications for ~~these~~ the products pursuant to the Eurex Contract Specifications, and~~. Furthermore,~~ the contract price of the Block Trade~~s~~ must fulfill the requirements set out in section 5 of these General Conditions for Participation.

[….]

17 Contractual Penalty

Irrespective of a potential damage claim of Eurex Clearing AG, the Participant is obligated to pay a contractual penalty in the amount of EUR 2,500 to Eurex Clearing AG for each case of negligent violation of Number 2.4.2. The agreement upon a contractual penalty does not exclude an assertion of further claims by Eurex Clearing AG.

~~17~~18 Saving Clause

Should individual provisions be invalid in whole or in part, this shall not affect the validity of the remaining provisions.

~~18~~19 Place of Jurisdiction; Applicable Law

The exclusive jurisdiction for all disputes in connection with these Conditions shall, to the extent permissible by law, be Frankfurt/Main. These Conditions shall exclusively be governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

[….]