e u r e x *b o n d s circular 60/09*

Date: Frankfurt, 15. September. 2009
Recipients: All Members of Eurex Bonds GmbH
Authorized by: Johannes Weßling

⚠ **High priority**

New Eurex Bonds BTP Basis Instruments

Contact: Johannes Weßling, tel. +49-69-211-1 59 32

Content may be most important for:	**Attachment:**
Ü Front Office / Trading Ü Middle + Back Office Ü Auditing / Security Coordination	FAX Reply – Taxpayer Identification Number

On **October 19, 2009** Eurex Bonds will introduce new basis instruments for deliverable Italian government bonds in connection with Eurex FBTP Futures.

This circular contains information on the following points:

1. Date of introduction
2. Product description
3. Preconditions for trading
4. Trading parameters and transaction fees
5. Necessary preparations before start of trading

Eurex Bonds GmbH
Neue Börsenstrasse1
60487 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

Contact:
T +49-69-211-1 1222
F +49-69-211-1 7003
info@eurex-bonds.com

General Managers:
Marcel Naas,
Laurent Ortiz,
Peter Reitz

Gesellschaft mit beschränkter Haftung
mit Sitz in Frankfurt/Main
HRB Nr. 49370
Amtsgericht Frankfurt/Main
USt Id 04523253333

New Eurex Bonds BTP Basis Instruments

1. Date of Introduction

On September 14, 2009, a new futures contract (FBTP) on notional long-term bonds of the Republic of Italy ("Buoni del Tesoro Poliennali") was successfully introduced on the Eurex® trading platform.

In this context, new basis instruments for deliverable Italian government bonds in connection with Eurex FBTP Futures will be tradable on Eurex Bonds.

Introduction will take place on October 19, 2009.

2. Product Description

BTP basis instruments represent a combination of an Italian government bond (BTP) and the FBTP Futures contract.

The purchase of the basis means purchasing a certain amount of BTP bonds and, at the same time, selling the corresponding amount of FBTP Futures contracts. Vice versa, selling the basis means selling a certain amount of BTP bonds and, at the same, purchasing the corresponding amount of FBTP Futures contracts.

One exchange trading day before the last trading day in the contract month of the current FBTP Futures contract at Eurex Deutschland, basis trading in the following contract month of above-mentioned futures contract will be made available at Eurex Bonds.

Last trading day for FBTP basis instruments at Eurex Bonds is the trading day prior to the last trading day of the corresponding futures contract at Eurex Deutschland.

Prices and hedge ratios will be calculated as specified in chapter 1.5 of the Annex to the "Terms and Conditions for Participation and Trading on Eurex Bonds", taking into account two coupon payments for Italian bonds during the current year.

3. Preconditions for Trading

All Eurex Bonds Members who wish to participate in trading BTP basis instruments at Eurex Bonds, must specify their Italian Taxpayer Identification Number – TIN) per fax (attachment) to Member Services & Admission.

As an alternative to the TIN, participation in trading can be granted by submitting evidence of a segregated account.

Specification of the TIN or the segregated account, respectively, is mandatory for orderly settlement of trades in case of physical delivery of Italian government bonds. Members who fulfill these preconditions will be assigned the respective instrument groups IGOV and BASI by Eurex Bonds.

4. Trading Parameters and Transaction Fees

For BTP basis instruments the same trading parameters and transaction fees apply as for the already existing basis instruments.

The same as for the already existing basis instruments, hedge ratios will be published every day on the Eurex Bonds website under the following path:

www.eurex-bonds.com > Members Only > Market Data > Hedge Ratios and Conversion Factors for Basis Trading

5. Necessary Preparations before Start of Trading

BTP basis instruments will be assigned to a new instrument group within Eurex Bonds:

Instrument group: **BASI**

Product assignment group for FBTP Futures contracts at Eurex is:

NAPHIE

Please be advised that for trading BTP basis instruments on Eurex Bonds, market participants must make the appropriate subgroup assignments for the instrument groups IGOV and BASI.

As a precondition for release of instrument group IGOV, evidence of a TIN or a segregated account, respectively, will have to be submitted as well (see point 3 of this circular).

In addition, the assigned Eurex user must be released for product assignment group NAPHIE at Eurex specifying the appropriate order- and wholesale size.

The resulting assignment of the Eurex Bonds trader ID (Cash Leg) to a valid Eurex trader ID (Futures Leg) must be communicated to Eurex Bonds, should it differ from the already existing user assignments for basis instrument transactions.

Since September 7, 2009, BTP basis instruments are available in Eurex Bonds simulation.

The same as in production, BTP basis instruments in the simulation environment are assigned to a separate instrument group (**BASI**). In order to test these instruments it is necessary to assign the appropriate subgroups.

Modifications of subgroup assignments will only become effective after the next batch. Batch days in simulation are specified in the simulation calendar.

The simulation calendar is available on the Eurex Bonds website under the path:

www.eurex-bonds.com > Members only > Simulation

Information about FBTP Futures (deliverable bonds or conversion factors) is available on the Eurex website under the path:

www.eurexchange.com > Trading > Products > Interest Rate Derivatives > Fixed Income Derivatives

Frankfurt, September 15, 2009

Attachment to Eurex Bonds circular 60/09

FAX – Reply – Taxpayer Identification Number

Fixed Income Clearing: Italian Taxpayer Identification Number for Fixed Income transactions

We kindly ask you to fill in and return this fax

To: Member Services & Admission Fax: +49-69-211-1 17 01

Member-ID: ☐☐☐☐☐ Name _____

Company _____ Phone _____

e-mail _____

For automated processing of the Taxpayer Identification Number (TIN) within the delivery management for Italian bonds, we advise our following Italian Taxpayer Identification Number:

Date:_____ Signature:_____