X-pand into the Future

e u r e x *information*

Date: Frankfurt, 15 March, 2002
Recipients: All Eurex Clearing members and vendors
Authorized by: Gregor Althoff

Central Counterparty – CCP Circulars 06/02 and 07/02

Contact: Functional Member Readiness: Tel. +49 69-2101-1700

Content may be most important for:	**Attachments:**
➲ Central Counterparty Coordinators	CCP Circular 06/02 and Fax Reply (Deutsch / English) CCP Circular 07/02 (Deutsch / English)

Please find attached a copy of the Central Counterparty Circulars 06/02 and 07/02 sent to FWB members and vendors recently.

In addition to the fax reply attached here, which requests CCP members to provide information regarding their CCP member status with respect to trading, clearing, and settlement, CCP Circular 06/02 also included a number of important functional and technical attachments, as follows:

1. Member Activity Plan (Deutsch/English)
2. Legal Cornerstones (Deutsch/English)
3. Preliminary Functional Release Notes (Deutsch/English)
4. Preliminary Technical Release Notes(English only)
5. Member Interface Specifications (English only)
6. VALUES API Planning Version (English only)
7. Clearing and Settlement Structure (Deutsch/English)

All attachments are available in the CCP section of the Xetra web-site ”www.xetra.de”.

If you have any problems accessing this web-site, please contact the Eurex Member Readiness team on Tel. +49 69-2101-1700.

CCP Circular 07/02 gives details of some changes to the CCP reports which are described in the Preliminary Functional Release Notes distributed with CCP 06/02.

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

Functional Member Readiness
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Alternative
Tel. +49-69-9770-1700
Fax +49-69-9770-1701

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Michael Widmer

CCP Circular 06/02

Deutsche Börse

To the FWB Members, Xetra® Members and Vendors

Recipients: Project Coordinators

FWB
Frankfurter
Wertpapierbörse

Management

Neue Börsenstraße 1
60487 Frankfurt am Main

Mailing Address
60485 Frankfurt am Main

Telephone
+49(0)69-21 01-16 40
+49(0)69-97 70-16 40

Telefax
+49(0)69-21 01-16 41
+49(0)69-97 70-16 41

Internet
deutsche-boerse.com

Central Counterparty – CCP
Member Documentation and Selection of future Member Status

February 28, 2002

Dear Sir or Madam,

With our circular from January 31, 2002, in the initial phase of the CCP rollout phase, we distributed the first documents related to the introduction of a Central Counterparty for trades in selected securities in the Xetra trading system and on the FWB Floor. With today's circular, we provide further documents, which are necessary for the implementation process.

The following documents are attached to this circular:

- **Member Activity Plan**
  This document contains information about all activities on the members' side that we judge necessary in order to ensure a successful introduction of the CCP.
- **Legal Cornerstones**
  Overview of changes of legal aspects in connection with the introduction of the CCP.
- **Preliminary Functional Release Notes**
  Description of the functional member- relevant changes within the scope of the CCP Release 1.0.
- **Preliminary Technical Release Notes**
  Description of the technical member-relevant changes within the scope of the CCP Release 1.0.

XETRA

Xetra Central Circular Management
Tel.: +49-69-21 01-96 20, Fax: +49-69-21 01-44 91
Tel.: +49-69-97 70-96 20, Fax: +49-69-97 70-44 91
E-Mail: circular.xetra@deutsche-boerse.com, Internet: www.xetra.de

General Managers:

Edward Backes
Dr. Heiko Beck
Rudolf Ferscha
Frank Gerstenschläger
Volker Potthoff

- **Member Interface Specifications**
  Description of file-based CCP interfaces.
- **VALUES API Planning Version**
  Introductory description of VALUES API interfaces for the development of the frontend application for CCP Release 1.0.
- **Clearing and Settlement Structure**
  Description of the target model of the future clearing structure as well as the functional, technical and legal features of fundamental functions.

In addition, you will find a fax reply which we would ask you to use for informing us about your future clearer status/settlement status or your selected clearer/settlement institution. Please return the fax reply **no later than March 15, 2002**.

All technical documents are available in English. Functional documents are generally available in English and German.

Please forward the documents to the relevant department within your company.

For any questions you may have, please do not hesitate to contact us under

telephone: +49(0)69-21 01-16 40
fax: +49(0)69-21 01-16 41

Yours faithfully
On behalf of the Management

Jens Hachmeister 'Christian Ochsner

Enclosure

Faxback
CCP – Member Status

Please return **before March 15, 2002** to:

Deutsche Börse AG
CCP Change Management Team

Telefax +49 - (0)69 - 21 01- **16 41**

Returned by:

Company/Member ID _____ _____

_____

Name _____

Function _____

Telephone _____

Place/Date _____

Please find below an overview of possible future combinations regarding Trading Member, Clearing Member and Settlement Member.
The selection of the member status is decisive for the introduction of the CCP within your company. As a basis for your decision, please use the document ‚Clearing and Settlement Structure'. The document describes in detail the possible member combinations mentioned below.

	Trading	Clearing	Settlement	Eurex Terminology
1	x			Trading Member (TM)
2	x		x	TM is also a settlement institution (SI)
3	x	x		DCM/GCM is no SI, but is still liable for settlement
4	x	x	x	DCM/GCM is also settlement institution (SI)
5		x		DCM/GCM no SI, is liable for settlement institution
6		x	x	DCM/GCM is also settlement institution (SI)
7			x	Settlement institution (SI)

TM – Trading Member, DCM – Direct-Clearing Member, GCM – General-Clearing Member, SI – Settlement Institution

Please give the following information with regard to the introduction of the central counterparty for equities:

I. Selection of future clearing status

Trading Member /Non Clearing Member (NCM) ☐
Name of potential Clearing Member _____

Direct Clearing Member (DCM) ☐

General Clearing Member (GCM) ☐

II. Selection of future Settlement status

We perform settlement ourselves yes ☐ no ☐

We settle via _____

(name of settlement institution)

We will continue to settle ourselves in the future yes ☐ no ☐

We will settle in the future via _____

(name of settlement institution)

III. Status of the current Technical Connection

Eurex infrastructure is implemented yes ☐ no ☐

Xetra infrastructure is implemented yes ☐ no ☐

XONTRO infrastruce is implemented yes ☐ no ☐

SNA connection is implemented yes ☐ no ☐

Comments: _____

_____

Thanks for your co-operation _____

signature

CCP Circular 07/02

Deutsche Börse

To the FWB Members, Xetra® Members and Vendors

Recipients: Project Coordinators

FWB
Frankfurter
Wertpapierbörse

Management

Neue Börsenstraße 1
60487 Frankfurt am Main

Mailing Address
60485 Frankfurt am Main

Telephone
+49(0)69-21 01-16 40
+49(0)69-97 70-16 40

Telefax
+49(0)69-21 01-16 41
+49(0)69-97 70-16 41

Internet
deutsche-boerse.com

Central Counterparty – CCP March 12, 2002
Consolidation of Reports

Dear Sir or Madam,

With our circular 06/02 of February 28, 2002, we distributed the „Preliminary Functional Release Notes“. Following requests of our members, the reports generated by the CCP, and which are referred to in that document, were modified as follows:

As described in the chapter „Process Overview“ of the „Preliminary Functional Release Notes“, cash differences for blocked trades in the offsetting block may occur on the two levels of CCP – Clearing Member (CM) and CM – customer.

To enable the handling of those differences by the members, we had planned to provide pertinent information to settlement institutions and CMs in a Differences Report.

This Differences Report has now been replaced by the Cash Obligations Report, which will be generated daily during the end-of-day processing.

The Cash Obligations Report will contain the following information:

- cash obligations resulting from trades in the offsetting block, which are a) due for settlement on the same business day, b) due on previous business days and/or c) which will be due for settlement on the following business day via the Land Central Bank (LZB). Those cash obligations are sorted by value date and will be listed for both the CCP – CM and the CM – customer levels.

General Managers:
Edward Backes
Dr. Heiko Beck
Rudolf Ferscha
Frank Gerstenschläger
Volker Potthoff

The cash obligations are available on a single-trade basis and accumulated basis. The totals will be computed by value date, and then ranked hierarchically by CM, LZB account, settlement account, account type (A/P), trading member and instrument.

- Totals of amounts on the CM and LZB account levels, which will be debited or credited on the next business day.

This means that the members will continue to receive all information which was contained in the Differences Report. As an additional information, the members receive a forecast of expected cash bookings, also showing subtotals.

The following chapters of the “Preliminary Functional Release Notes” refer to the Differences Report:

Chapter 2 „Process Overview“
Chapter 3.7 „Reports in Gross Delivery Management“
Chapter 4.2 „Settlement Netting“
Chapter 9.3.1 „List of Relevant Reports in CCP Release 1.0“

The information described in the above chapters will now be given in the Cash Obligations Report.

Further to this point, the document ‘Preliminary Functional Release Notes’ has already consolidated report information compared to the report structure described in the "Basic Concept Central Counterparty for Equities”, which makes the reports Settlement Result Data Carrier CCP and Late Delivery Report redundant:

The Settled Delivery Report contains all settled trades (on both levels of CCP – CM and CM – customer), and is thus redundant to the Settlement Result Data Carrier CCP. Therefore, the generation of the Settlement Result Data Carrier CCP is no longer necessary.

In addition, a new field ‘number of days late’ was added to both the Settled Delivery Report and the Pending Delivery Report, which allowed us to integrate the Late Delivery Report into the Pending Delivery Report.

Should you have questions or need further information, please do not hesitate to call the Change Management Team CCP at

telephone: +49(0)69-21 01-16 40
fax: +49(0)69-21 01-16 41.

Yours faithfully
On behalf of the Management



Jens Hachmeister



Christian Ochsner