X-pand into the Future

e u r e x *information*

Date: Frankfurt, November 15, 2002
Recipients: All Eurex Clearing members and vendors
Authorized by: Jürg Spillmann

Central Counterparty – CCP Circulars 48/02, 49/02, 50/02, 51/02, 52/02, 53/02, 54/02, 55/02

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Content may be most important for:	**Attachments:**
➲ Central Counterparty Coordinators	CCP Circular 48/02,(English/Deutsch) CCP Circular 49/02 (English/Deutsch) CCP Circular 50/02 (English/Deutsch) CCP Circular 51/02 (English/Deutsch) CCP Circular 52/02 (English/Deutsch) CCP Circular 53/02 (English/Deutsch) CCP Circular 54/02 (English/Deutsch) CCP Circular 55/02 (English/Deutsch)

Please find attached a copy of Central Counterparty Circulars 48 – 55 sent to Frankfurter Wertpapierbörse members and vendors recently.

The attachments to the circulars include member manuals and technical documentation, as well as guidelines for the forthcoming simulation. As the attachments are generally larger than many e-mail systems will accept, they are not included with this communication; only the circulars are provided.

All important CCP documents, including those issued recently can be accessed via the CCP web-site under 'Documentation'.

Access to the CCP site from the Eurex web-site is via 'info for members' (Eurex login required) > ccp (login 'ccp' and password 'go').

This section of the CCP web-site also contains the full set of published CCP Circulars.

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Thomas Lenz, Peter Reitz,
Jürg Spillmann, Michael Widmer

CCP Circular 48/02

Deutsche Börse

To the FWB Members, Xetra® Members and Vendors

Recipients: Project Coordinators, System Administrators

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Central Counterparty – CCP October 30, 2002
Member Documentation

Dear Sir or Madam,

In the context of the introduction of the Central Counterparty, we would like to provide you today with further CCP information relevant for the implementation process. Associated with the simulation starting November 25, 2002, we are sending you enclosed the English version of scripts and schedules necessary for the Guided Simulation. The distribution of the German version is scheduled for Friday, November 01, 2002. We would like to remind all Simulation participants to use only the instruments specified in the scripts during the simulation.

Furthermore, the communication calendar Q4/2002 announced the dispatch of the final FWB Rules & Regulations and the final version of the Eurex Clearing Conditions for today. Unfortunately, the distribution of those documents will be delayed, as final decisions required by the respective committees have not yet been made. The documents will be released upon approval by the aforementioned committees.

As a further attachment to this circular you are provided with a VALUES API Final Version including header files.

Should you have further questions or require additional information, please do not hesitate to contact the CCP Change Management Team at telephone +49(0)69-21 01-16 60 or fax +49(0)69-21 01-16 61.

Yours faithfully
On behalf of the Management

Jens Hachmeister

Christian Ochsner

Enclosure



26 days to go

Start of CCP Simulation
on November 25, 2002

General Managers:
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Rudolf Ferscha
Frank Gerstenschläger
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CCP Circular 49/02

To the FWB Members, Xetra® Members and Vendors

Recipients: Project Coordinators

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Central Counterparty – CCP November 1, 2002
New Price Schedule for Xetra® Trading

Dear Sir or Madam,

As indicated in the CCP Communication Calendar for the fourth quarter of 2002, we are happy to provide you with the new price schedule for trading on the electronic trading platform Xetra today.

This information complements two previously published CCP circulars: CCP circular 28/02, which introduced the new price structure for the Frankfurt Stock Exchange (FWB) cash market and CCP circular 38/02, which detailed the prices for clearing and settlement of CCP trades and the settlement of non-CCP trades for the FWB cash market.

Should you have further questions or require additional information, please do not hesitate to contact the CCP Change Management Team at telephone +49(0)69-21 01-16 60 or fax +49(0)69-21 01-16 61.

Yours faithfully

Volker Potthoff

Jens Hachmeister
on behalf of the Management

Enclosure



24 days to go

Start of CCP Simulation
on November 25, 2002

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CCP Circular 50/02

Deutsche Börse

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Central Counterparty - CCP
Member Documentation

November 5, 2002

Dear Sir or Madam,

In the context of the introduction of the Central Counterparty, we would like to provide you today with further relevant CCP information, which is necessary for the implementation process. As indicated in the CCP Communication Calendar for Q4 2002, you receive the following documents:

- **Front End Installation Guide**
- **Front End Operations Guide**.

Furthermore, we provide you with a circular by Eurex Clearing AG regarding

- **Variable Contribution to the Clearing Fund**.

The document "Final Version VALUES API", which the Communication Calendar announced for today, has already been sent to you in CCP Circular 48/02 on October 30, 2002. The fourth document announced for today, the "Final Version file-based Interface", will be sent to you on November 08, 2002; we kindly ask for your understanding for this slight delay.

For any questions you may have or further information, please do not hesitate to contact the CCP Change Management Team under tel. +49(0)69-21 01-16 60 or fax +49(0)69-21 01-16 61.

Yours faithfully
On behalf of the Management

Jens Hachmeister

Christian Ochsner

Enclosure



20 days to go

Start of CCP simulation
on November 25, 2002

General Managers:
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CCP Circular 51/02

To the FWB Members, Xetra® Members and Vendors

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Central Counterparty - CCP November 5, 2002
Simulation Scripts: German Versions

Dear Sir or Madam,

Associated with the simulation starting November 25, 2002, we are sending you enclosed the German versions of the scripts and schedules necessary for the Guided Simulation.

The English versions of these documents have already been sent to you with CCP Circular 48/02 on October 30, 2002.

For any questions you may have or further information, please do not hesitate to contact the CCP Change Management Team under tel. +49(0)69-21 01-16 60 or fax +49(0)69-21 01-16 61.

Yours faithfully
On behalf of the Management

Jens Hachmeister

Christian Ochsner

Enclosure



20 days to go

Start of CCP Simulation
on November 25, 2002

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CCP Circular 52/02

Deutsche Börse

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Central Counterparty - CCP November 8, 2002
Member Documentation – Member File-based Interface

Dear Sir or Madam,

As announced with CCP Circular 50/02 on November 5, 2002, we are happy to provide you with the final version of the “Member File-based Interface” today. The document describes the layout and the format of the CCP’s file-based member interfaces.

The interfaces are implemented between CCP and its participants, whereas two different types of files exist: The Settlement Instruction Data Carrier (based on SWIFT format ”MT523 - Deliver against Payment”) and the Detailed Settlement Reports (based on SWIFT format “MT536 - Statement of Transactions”).

We apologize for the slight delay in providing of the a.m. document.

For any questions you may have or further information you require, please do not hesitate to contact the CCP Change Management Team under telephone +49(0)69-21 01-16 60 or fax +49(0)69-21 01-16 61.

Yours faithfully
On behalf of the Management

Jens Hachmeister

Christian Ochsner

Enclosure



17 days to go

Start of CCP simulation
on November 25, 2002

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CCP Circular 53/02

Deutsche Börse

To the FWB Members, Xetra® Members and Vendors

Recipients: Project Coordinators, Back Office Contacts, IT Contacts

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Central Counterparty - CCP November 12, 2002
Settlement Instruction Data Carrier: Additional Information

Dear Sir or Madam,

With this CCP Circular we provide you with further information relevant for the implementation of the Central Counterparty for Equities. In detail, this circular covers information on layout changes and CCP feedback concerning the settlement instruction data carrier.

Settlement Instruction Data Carrier – Layout Change

As agreed in the Equity Clearing Committee on September 16, 2002, it is required to incorporate the field "trading location" into the MT523 format. The solution which is to be implemented covers the following layout changes:

- Deviating from the CBF layout of the settlement instruction data carrier, field 31P will be expanded to the common SWIFT format.
- According to SWIFT the field contains "Date and Place of Trade" in 6!n(29a) format
  - As communicated before, the trade date is mandatory and must be filled in format “YYMMDD”.
  - In addition to the trade date, field 31P will be extended to allow for referencing the trading location. The trading location will be an optional field in alphanumeric format “3!a”. Valid values for the trading location will be “EDE” for Xetra trades and “EDF” for XONTRO Frankfurt trades. The CCP may define additional values if required.



13 days to go

Start of CCP Simulation on November 25, 2002

General Managers:
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- No space between the trade date and the trading location is allowed.
- CBF will not adopt this format change, but will guarantee that CBF can process files if the trade date is followed by a trading location.

The following rationale lies behind the decision to introduce the field “trading location” as optional entry in field 31P of the MT523 format:

- ✓ The trading location is one of the five key trade attributes of the CCP.
- ✓ In a first step of the CCP, introducing only Xetra and XONTRO Frankfurt, the trading location can be determined from the field “originator” (field 20). Thereby, all Xetra trades will be referenced with originator “7501”. Any other value will be interpreted as XONTRO Frankfurt trades.
- ✓ However, the CCP must maintain the flexibility to allow participation of other German regional exchanges. As the number range of settlement accounts allows no longer to strictly separate regional exchanges, it is required to implement a sustainable solution for future purposes.
- ✓ The CCP moves to the common SWIFT standard and introduces field 31P in order to reference the trading location.

For CCP Release 1.0, we have aimed at minimizing the impact of this decision on your system is kept to a minimum:

- ✓ Field 31P is only mandatory for the trade date, the entry of the trading location is optional for the participant. Where field 31P is fully filled, the trading location will be determined with reference to field 31P, else the CCP will determine the trading location from the field “originator”.
- ✓ The valid values are defined in accordance with CBF standards used in MT536 format (field “94B Source of Price”).

Settlement Instruction Data Carrier – Feedback from the CCP

Comparable to the CBF service, the CCP will offer feedback to the member settlement instruction data carrier on different levels.

On a first level, the CCP provides "technical feedback" that the file was successfully received. The feedback is provided to all participants. This "technical feedback" has the following functional relevance.

Each "technical feedback" file contains a time stamp. From this time stamp, the participant can derive the timing as to when the member settlement instruction data carrier will be processed within the CCP-system:

- ✓ Technical feedback files with a time stamp before or equal to the communicated "CCP deadline", are guaranteed for immediate processing and will be considered for the next settlement run on that day.
- ✓ Technical feedback files with a time stamp within the time period of the communicated "best effort phase" (for SDS1 and SDS2), cannot be guaranteed for immediate processing in the next settlement run of that day. It may occur that the processing of the instruction file is postponed until the next settlement run.
- ✓ Technical feedback files with a time stamp that is after the communicated "best effort phase", will be definitely postponed until the next settlement run.

The technical feedback will be provided to your institution via the same transmission route that the file was sent – i.e. via SNA-lines.

The report will have the following layout (example below):

```
*****************************************************************************
*                                                                           *
*                                                                           *
*                          EUREX CLEARING AG                                *
*                          -----------------                                *
*                       CCP-EINGANGSBESTÄTIGUNG                             *
*                                                                           *
*****************************************************************************
*                                                                           *
* BANKNUMMER: XXXX  ERSTELLUNGSDATUM: 23.10.2002  ERSTE TRANSFERNUMMER: 0011  *
*                                                                           *
* EMPFANGSDATUM:   23.10.2002                                               *
* EMPFANGSUHRZEIT: 16:35:01                                                 *
*                                                                           *
*                                                                           *
* FOLGENDE TRANSFERBLÖCKE WURDEN GESENDET:                                  *
*                                                                           *
* TRANSFERNUMMER: 0012     ANZAHL SÄTZE:       3    ANWENDUNG: C           *
*                                                                           *
*                                                                           *
* ANZAHL EINGABESÄTZE:               3                                      *
* ANZAHL PROD-DATEI:                 3                                      *
* ANZAHL TEST-DATEI:                 0                                      *
*                                                                           *
*                                                                           *
* CCP IST BEREIT FÜR DEN EMPFANG DER NAECHSTEN DATEI                        *
*****************************************************************************
```

The technical feedback will be available with the start of the CCP simulation on November 25, 2002.

On a second level, you will receive responses regarding the content and processing of their instructions by the CCP. The CCP performs a syntax and content check of the file on single record level. Following this “functional check”, the CCP will provide rejection responses containing information about the quality of the data received.
In contrast to CBF, the CCP will provide only the following content and processing feedback:

- ✓ Only rejection responses are provided, no confirmation responses are available.
- ✓ No statistics on the number of processed or rejected records will be provided.
- ✓ Rejection responses are provided in format MT523, other formats such as MT598 are not supported. All fields (optional and mandatory) of the MT523 format will be filled as received from the participants.
- ✓ No choice is offered regarding the scope of response and the transmission route of the response. The rejection responses are provided to all participants by default – the usage of the feedback file is at the discretion of the participant. The transmission route of the CCP feedback will be via “SNA-lines”.

With regards to the format of the feedback, the CCP will stay in line with CBF standards but will use CCP-specific error codes as outlined below.

This has the following consequence for the participant:

- ✓ Although described in the CCP-layout of the settlement instruction file, you may optionally refrain from the field “rejection indicator” and “confirmation indicator” (field 72, >I11 and >I12). These fields are CBF-specific and are not processed at the CCP.
- ✓ In returning the rejection response, the CCP will fill the field “rejection indicator” with the constant value “064” to indicate that an error occurred, that the current response only contains all fields, and that the response is transmitted via the file transfer only. This is in line with the CBF document “CASCADE-LIMA-File-Transfer user manual” (paragraph 17.1.27) as of December 2001.
- ✓ The type of error is indicated in the message trailer, in the field “return code”. No additional error information in the “ISO-string” (i.e. the main part of the message) of the record is provided.
- ✓ All other fields of the MT523 record will be returned to the participant without any change by the CCP.

The CCP answer code is defined as seven characters alphanumeric, where the two first always contain the string “CC”, and the following five characters contain a five-digit error code number. The five-digit error code number indicates the reason for rejection. A list of CCP error codes and their interpretation is given below.

CCP Error Code	Description	Interpretation
CC1005F	Message can not be processed	Field 72 (Sender to Receiver Information), subfield D51 (Settlement Block), is neither set to „J“ or „N“. It is not specified if a block or a release is instructed.
CC1006F	Invalid Trade Status for requested transaction	The block/release request cannot be processed for the following reasons: ✓ The specified trade is not a “Sell” ✓ The request is “block” but the trade is already blocked, or vice versa for “release” ✓ A “block” is requested, but the trade status is not: pending, partially closed, closed, or partially settled ✓ A “release” is requested but the trade status is not: pending, closed, partially closed, settled or partially settled.
CC1007F	Buyer account is not CCP	Field 87D is not filled with: “85010000”
CC1008F	Invalid ISIN	The ISIN specified in field 35B does not match

		with the ISIN of the trade retrieved from the database. The CCP-system retrieves the trade based on the key fields: trade number (field 20), trade date (field 31P), trading location (field 31P or derived from field 20), order number (field 72/K97). Then, the ISIN of the retrieved trade must match with the ISIN instructed in field 35B.
CC1010F	Invalid settlement account	The specified seller account (field 83C) does not match with the settlement account stored in the trade table for the retrieved trade.
CC1025I	Transaction rejected as settlement netting already started	The record cannot be processed and will be postponed to the next settlement run.
CC1009F	Requested trade not found	The CCP-system cannot find the trade in the database. This means that one of the CCP key fields must be wrong: ✓ Field 20: Trade Number ✓ Field 20: Originator – to determine the trading location or Field 31P. Where filled – trading location ✓ Field 31P: Trade Date ✓ Field 72/K97: Order Number ✓ Field 35B: ISIN
CC1082F	Insufficient transaction quantity	The quantity requested in field 35A is not available anymore for the requested action (block or release)
CC1083F	Invalid transaction quantity	Requested nominal in field 35A is less than the minimal settlement unit (MSU)

Please note that the CCP return messages will not contain the reference to the participant's settlement instruction data carrier anymore.
The CCP processing implies that the number of settlement instruction data carriers submitted by each participant, and the number of files containing response records are independent from each other. The CCP will provide rejection feedback based on a configurable time trigger. The time trigger is a "system-wide" parameter that will be applicable for all participants.
In providing the feedback file, the CCP builds a new file containing all rejected records available at that point in time. The CCP creates a new header and trailer record (in MT598 format).
Detailed interface specifications for the provided file will be provided in a further member documentation.

The detailed feedback on record level will not be available at start of the CCP Simulation phase. It is expected to make this feedback available in January 2003. Please note that you will be separately informed about the exact implementation timing.

For any questions you may have on the issues dealt with in this circular or any further information you require, please do not hesitate to contact the CCP Change Management Team under:

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Yours faithfully
On behalf of the Management

Jens Hachmeister

Christian Ochsner

CCP Circular 54/02

Deutsche Börse

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Recipients: Project Coordinators, System Administrators

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Central Counterparty – CCP November 12, 2002
Member Documentation – Open Simulation Scripts

Dear Sir or Madam,

As announced, please find the English-language Scripts for the Open Simulation attached today.

The Open Simulation, which is scheduled from December 23, 2002 to February 28, 2002, starts immediately after the Guided Simulation and covers more complex scenarios, which you find described in the attached documents.

The publication of the respective German-language versions is expected this week.

Should you have further questions or require additional information, please do not hesitate to contact the CCP Change Management Team at telephone +49(0)69-21 01-16 60 or fax +49(0)69-21 01-16 61.

Yours faithfully
On behalf of the Management

Jens Hachmeister Christian Ochsner

Enclosure



13 days to go

Start of CCP Simulation
on November 25, 2002

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CCP Circular 55/02

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Central Counterparty – CCP November 13, 2002
List of Instruments/SPOC List /German Scripts Open Simulation

Dear Sir or Madam,

Attached to this circular please find

- a final list of instruments for the CCP Simulation
- a list of the Clearing Members'/Settlement Institutions' Simulation "Single Points of Contact" (SPOCs) and
- the German versions of the Open Simulation Scripts.

With respect to the list of instruments please note that the number of instruments with liquidity in Xetra has been extended from 5 to 10.

As the *instruments for scenario execution* within the Guided and Open Simulation are included in the overall list, we underline that these *are **only** to be used for the scenarios.*

All other instruments – especially those with liquidity – are available for member-internal tests.

Should you have further questions or require additional information, please do not hesitate to contact the CCP Change Management Team at telephone +49(0)69-21 01-16 60 or fax +49(0)69-21 01-16 61.

Yours faithfully
On behalf of the Management

Jens Hachmeister Christian Ochsner

Enclosure



12 days to go

Start of CCP Simulation
on November 25, 2002

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