e u r e x *circular 79/98*

To: All Eurex members and vendors

Date: Frankfurt, 4th December 1998

1. **Changes to Sub-section 21.1.21.1 and 2.1.21.4 of the Conditions for Trading at Eurex Deutschland and Eurex Zurich.**
2. **Changes to Sub-section 2.1.21.4 (1) of the Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich.**

Dear Sir or Madam,

The current description of the contract specifications for CONF and COMI Futures contains an imprecision in the definition of the remaining term for deliverable bonds of these contracts. It is possible to conclude from the current wording of the contract specifications for CONF and COMI Futures, that a bond with a remaining duration of exactly eight years satisfies the criteria for the CONF Future as well as the COMI Future, and that it is deliverable for both contracts.

To preclude such interpretation, the Exchange Council of Eurex Deutschland and the Management Board of Eurex Zurich have decided to modify the wording of the contract specifications of the CONF Future and the COMI Future so that the possibility of delivery of a single bond for both contracts is excluded. These changes will take effect from 7th December 1998 and will apply to contracts with delivery month June 1999 and beyond.

Attached you will find the revised versions of paragraphs 2.1.21.1 and 2.1.21.4 of the Conditions for Trading at Eurex Deutschland and Eurex Zurich, and of paragraph 2.1.21.4 (1) of the Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich.

Side-bars indicate where changes have occurred. The text added is underlined.

If you have any questions, please contact Marco Schneider (Business Development: Tel. +41-(0)1-229-2464) or Ekkehard Jaskulla (Legal Affairs: Tel. +49-(0)69-2101-5133).

Yours sincerely,

Jürg Spillmann

Hartmut Klein

Attachments

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Conditions for Trading at Eurex Deutschland and Eurex Zurich

2 Part
Contract Specifications

2.1 Subpart
Contract Specifications for Futures Contracts

2.1.21 Sub-Subpart

Specifications for Future Contracts on a Notional Medium-Term Bond of the Swiss Confederation (COMI Futures).

2.1.21.1 Subject Matter of Contract

(1) A COMI future is a futures contract on a notional bond of the Swiss Confederation with a remaining term of three to eight years minus 1 day and an interest rate of 6%. The par value of any such contract is CHF 100,000.

(2) After the close of trading in the contract, the seller of a COMI future shall be required to deliver bonds with the nominal value of the contract. Delivery may be made with Swiss Government bonds which have a remaining term of no more than eight years minus 1 day and no less than three years. In the case of bonds with an early redemption option, the first and last possible redemption dates as of the time of delivery of the contract must be between 3 years and 8 years minus 1 day. The bonds must have a minimum issue volume of CHF 500 million. The purchaser shall be required to pay the tender price. The tender price shall be equivalent to the nominal value of the contract, multiplied by the price of the contract at the close of trading in the contract, multiplied by the conversion factor for the bonds tendered, plus interest accrued since the last interest payment date.

2.1.21.4 Performance

(1) The delivery day shall be the tenth calendar day of the respective quarter-end month; provided, however, that if such day is not an Exchange day, delivery shall occur on the next succeeding Exchange day.

(2) The bonds that may be used to perform COMI futures as well as the conversion factors to be applied thereto shall be determined by Eurex and shall be made available to the Exchange Participants on a screen display. The conversion factor adapts the price of the bonds available for delivery to that of the contract at the end of trading. The bonds identified for performance must, at the time of delivery, have a remaining term of three to eight years minus 1 day; early redemption may not be possible until 3 years have passed.

(3) Deliveries shall be effected between the Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for deliveries to the Non-Clearing Members served by it and its own customers; the performance of deliveries by Non-Clearing

Members to their customers is the responsibility of the Non-Clearing Members. Exchange Participants may only effect onward deliveries of bonds that have been allocated to their Agent Position Accounts or designated for delivery by their customers.

Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich

2 Part

Contract Specifications

2.1 Subpart

Contract Specifications for Futures Contracts

2.1.21 Sub-Subpart

Specifications for Future Contracts on a Notional Medium-Term Bond of the Swiss Confederation (COMI Futures).

2.1.21.4 Performance

(1) A delivery obligation arising out of a short position in a COMI futures contract may only be performed by the delivery of Swiss Government bonds as designated by Eurex Clearing AG with a remaining term of no more than 8 years minus 1 day and no less than 3 years. In the case of bonds with an early redemption option, the first and last possible redemption dates as of the time of delivery of the contract must be between 3 and 8 years minus 1 day. The bonds must have a minimum issue volume of CHF 500 million. Clearing Members with open short positions must notify Eurex Clearing AG between the close of trading and the end of the Post-Trading Period on the day that is two Exchange days before the tenth calendar day of a quarter-end month (the "Notice Day") which bonds they will deliver. Any prior delivery notices may be amended until the end of such Post-Trading Period. If the delivery notice is not given in a timely manner, Eurex Clearing AG will select the bonds to be delivered by such Clearing Member.

One day prior to the delivery day pursuant to subsection 2.1.21.1 paragraph (3) the Clearing Members must confirm to the clearing house in writing the actual availability of the bonds which they have notified.