e u r e x *circular 64/98*

To: The Members of Eurex Zürich and Eurex Deutschland

Date: Frankfurt, 29th October 1998

Supplement to Eurex Circular 54/98 'Swiss Stamp Duty on Transfer of Swiss Securities against Payment.'

Dear Sir or Madam,

With reference to Eurex Circular 54/98 dated 22nd September 1998, in which we wrote the following:

> "Eurex Zürich AG shall charge the stamp duty for transactions to all the accounts of the clearing member (non IEH) involved. Possible subsequent exemption of transactions by its clients or NCMs with IEH status is the subject of ongoing discussions with the Swiss Federal Tax Administration. Eurex members will receive further information on this point."

The discussions have now been completed, and the following rules have been agreed with the Swiss Federal Tax Administration:

(a) For transactions carried out by a clearing member who does not have IEH-status, on behalf of an NCM who does have IEH status:

As of 28th September 1998 (backdated), these transactions will no longer be subject to stamp duty. If these are traded on behalf of an NCM which is a bank, as defined by the Swiss Federal Banking law, then the NCM and its the clearing member need take no further action.

If the transactions are traded on behalf of a Swiss NCM which is not a bank, then the NCM has to supply a "Domestic Securities Trader Declaration" or so-called "Blue card" to Eurex Zurich AG.

All tax demands for stamp duties on such transactions which have been sent since 28th September 1998 will be cancelled.

(b) For transactions carried out by a clearing member who does not have IEH-status for a client who does have IEH status:

In contrast to an NCM no client information is held in the Eurex system and, consequently, it is not possible to abolish the stamp duty in these cases.

For these cases, the procedure described in Eurex Circular 54/98 will still apply.

We ask you to take these changes to our earlier circular into consideration.

If you have further questions, please contact Mr Ernst Karbe on +41 (0)1-229-2470

Yours faithfully

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