X-pand into the Future

e u r e x *circular 059/03*

Date: Frankfurt, June 4, 2003
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **High Priority**

Introduction of New Pricing Structure

Related Eurex Circulars: 115/02, 039/03
Contact: Sales Support: Tel. +49-69-21 01-17 00

Content may be most important for:	**Attachments:**
➲ All Departments	1. Updates to Technical Implementation Regulations 2. Updates to Fee Regulations 3. Updates to Price List 4. Fax Reply – Technical Connection Fees Contact

Summary:

The Management Boards of the Eurex Exchanges have defined a new fee structure for technical connection to trading on the Eurex Exchanges. Following completion of the approval process within the Exchange bodies, the Boards have taken the decision that the new structure will come into effect from July 1, 2003.

An important change to the current pricing system is the separation between fees for technical connection and the minimum fee associated with execution of transactions.

The Circular describes the new connection pricing model and Attachment 1 contains the corresponding changes to the Technical Implementation Regulations. Attachment 2 contains the updates to the Eurex Fee Regulations. Price List updates relating to minimum transaction fees are included as Attachment 3.

Attachment 4 is a fax reply with which members should provide the name and address details of a contact for receiving Eurex invoices relating to technical connection charges.

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

Eurex Sales Support
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,
Peter Reitz, Michael Widmer

Introduction of New Pricing Structure

The Management Boards of the Eurex Exchanges have defined a new fee structure for technical connection to trading on the Eurex Exchanges. Following completion of the approval process within the Exchange bodies, the Boards have taken the decision that the new structure will come into effect from July 1, 2003. An important change to the pricing system is the separation between fees for technical connection and the minimum fee associated with execution of transactions.

Technical Connection Charges

The revision simplifies the connection pricing system such that from July 1, 2003 only two prices will apply for technical connections:

Connection Component	Price	
64 kbps bandwidth fixed line	EUR 1,000	Per Installation per Month
64 kbps Internet connection	EUR 500	Per Installation per Month

In principle, the monthly charges for connection will consist of the number of connection components installed at Member locations multiplied by the corresponding price. Eurex will, however, waive the first EUR 1,000 of connection charges per month for each member.

Fixed line connections are in principle to be configured redundantly, either through the installation of a second fixed line, or via an Internet back-up connection. Clearing Members (GCMs, DCMs) must have at least one fixed line.

Charges for changes of connection type or node changes will no longer be applied. Charges for moving connections to a different member location will be EUR 3,000.

Associated changes to the Implementation Regulations of Eurex Deutschland and Eurex Zürich Concerning Technical Equipment are provided as Attachment 1.

Attachment 2 contains the updates to the Eurex Fee Regulations.

Minimum Transaction Fees

From July 1, 2003, minimum transaction fees of EUR 9,000 per quarter apply for each member. The calculation of minimum transaction fees on a quarterly basis is designed to cater for members with variable monthly trading patterns. If a member's actual transaction fee total is below EUR 9,000 in any quarter, an additional charge will be applied to make up the EUR 9,000 minimum. Note that under the new model, connection charges can no longer be offset against transaction fees.

Corresponding updates to the Price List are contained in Attachment 3.

Invoicing for Technical Connection

Due to the separation of fees for technical connection and those for transactions, from July 2003 Eurex will invoice all members for technical connection charges on a monthly basis. In order to facilitate this process, members are requested to return the fax reply included as Attachment 4 to provide the name and address details of a contact for receipt of Eurex invoices relating to technical connection.

If no dedicated contact has been notified by July 31, 2003, invoices will be sent to the member's central coordinator.

Invoicing for Transaction Fees

As usual, transaction fees will continue to be invoiced monthly and debited automatically from the Bundesbank accounts of Clearing members. Any charges related to Minimum Transaction Fees will appear in the monthly report for the month following the quarter end, and will appear as Fee Type 100.

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Implementation Regulations of Eurex Deutschland and Eurex Zürich Concerning Technical Equipment

1 Definitions

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1.3 Connection Alternatives

Exchange Participants may choose to be connected to the Eurex system either via dedicated lines or via the Internet (or by using a connection combining dedicated lines and Internet). A connection via a dedicated line requires an additional backup connection either via an additional dedicated line or via the Internet.

Exchange Participants with the clearing status of a Direct Clearing Member (DCM) and General Clearing Member (GCM) must be connected to the Eurex system via at least one dedicated line and one backup connection.

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2 Connection to the EDP System

2.1 Requirements

In the case of the connection based on a dedicated line, the Exchange Participant is connected to the EDP system of the Eurex Exchanges upon granting admission to participate in options and futures trading. If the Exchange Participant chooses to be connected exclusively via the Internet, such Exchange Participant, after having been granted admission to participate in options and futures trading, may only be connected to the EDP system of the Eurex Exchanges after it has realised the connection via Internet by means of an Internet provider. All connection variants to the Eurex system require compliance with the Exchange Rules for the Eurex Exchanges, particularly subsection 3.4 of the Exchange Rules for Eurex Deutschland and Eurex Zürich, and with the technical standards of these Implementation Regulations with respect to hardware, software, the Network and the configuration thereof and that by the establishment of such connection, the system of the Eurex Exchanges - particularly trading and clearing - shall not be compromised, be it on the basis of location or any other technical grounds. The system load produced on the EDP system of the Eurex Exchanges by individual Participant Front End Installations can be measured by the Eurex Exchanges and if necessary for reasons of system security or for other serious reasons, can be limited through technical means. Each Exchange Participant undertakes to ensure that its institution, according to the national laws and regulations effective in the country of its location, is entitled to connect a Participant Front End Installation at its location to the EDP system of the Eurex Exchanges and to execute trading and clearing at the Eurex Exchanges.

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7 Transmission Alternatives for Telecommunication

7.1 Dedicated Lines

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7.1.3 Integration into Network of the Eurex Exchanges

The Eurex Exchanges decide to which access point a dedicated line shall be connected.

7.1.4 Security Against Failure

In order to improve security against failure, locations connected to the Eurex system via a dedicated line must have at least one backup connection via an additional dedicated line or via the Internet.

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7.2 Connection via the Internet

7.2.1 Responsibility of the Exchange Participant

Any connection via the Internet shall be the sole responsibility of the respective Exchange Participant. The Exchange Participant itself is responsible for the selection of the Internet provider as well as for the realisation of the connection to the Network of the Eurex Exchanges. The Eurex Exchanges do not assume responsibility for availability and performance of the aforementioned connection alternatives.

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13 Liability

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13.2 General Liability

For damages suffered by an Exchange Participant in connection with its use of the EDP system or EDP devices of the Eurex Exchanges, the Eurex Exchanges shall be liable only to the extent that intentional misconduct or gross negligence of its bodies or third parties assisting in its performance can be demonstrated, unless the damage shall have resulted from a culpable breach by the Eurex Exchanges of its principal duties. The liability of the Eurex Exchanges shall be limited in such a case if only ordinary negligence occurred, however, to the amount of damages typically foreseeable at the time of execution of the agreement.

In all other cases, the Eurex Exchanges shall not be liable for completeness, availability and recentness of data which are transmitted to the Exchange Participants via the Internet.

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Fee Regulations for Eurex Deutschland

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2 Participation Fee

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2.3 Notwithstanding the fees to be paid by the Exchange Participants according to sections 2.1 and 2.2, separate fees shall be charged in the specified amount for the services of Eurex Deutschland listed below:

2.3.1 Communications Fees:

Depending on the chosen connection alternative to the EDP system of Eurex Deutschland and the amount of dedicated lines connected pursuant to the application of an Exchange Participant, the following communication fees shall be charged per month:

For each connection via the Internet 500 Euro

For each connection via a dedicated line 1,000 Euro

The communication fees charged per Exchange Participant and per month pursuant to section 2.3.1 will be remitted by an amount of up to 1,000 Euro.

2.3.2 Technical Changes

For the technical changes realised by Eurex Deutschland for the Exchange Participant as a result of the removal of an Exchange Participant, a fee of 3,000 Euro per occurrence shall be charged.

2.3.3 Notwithstanding section 2.1, the communication fees detailed in section 2.3.1 shall be charged per month and the fees specified in section 2.3.2 directly after rendering the respective service according to section 6.1.

2.4 For Exchange Participants admitted in the context of a cooperation arrangement which Eurex Deutschland has entered into with another exchange, the Board of Management of Eurex Deutschland may reduce the annual basic fixed fee, provided that the Exchange Participants of Eurex Deutschland wishing, in the context of such cooperation arrangement, to trade on such other exchange are required to pay no or a correspondingly reduced fee to such exchange.

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2 Transaction Fees of Eurex Deutschland and Eurex Zürich

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2.10 Minimum Transaction Fee

If the sum of the transaction fees specified in Nos. 2.1 and 2.2 of a clearing member or one of its non-clearing members in one quarter falls below the minimum transaction fee of EUR 9,000, the clearing member shall pay a corresponding supplementary fee in the amount of the remaining difference for itself and for each of its non-clearing members concerned.

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F a x - R e p l y

To: Annette Staub
Eurex Information and Billing: **Fax: +49-69-21 01- 44 91**

Contact and Address for Eurex Connection Fee Invoices

We kindly request you to complete and return this form before July 1, 2003

Our contact person for Eurex Connection Fee invoicing is:

MEMBER – ID: __ __ __ __ __
Name of Member Institution:
Name of Contact:
Postal Address:
Country:
Phone No: **Fax No:**
E-mail:

Date Place Signature