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To: All Eurex members and vendors

Date: Frankfurt, 8th July 1999

Introduction of a Qualification Test for Back-office Employees ("Clearer Test")

Dear Sir or Madam,

The Eurex executive boards have made the following decision:

From 1st October 1999 a member's compliance with the prerequisite for admission, of an orderly settlement of transactions pursuant to subsection 3.4 of the Eurex Exchange Rules, will require that at least one qualified back-office staff member is on site and permanently available during exchange hours. Qualification of back-office personnel is assumed if a Clearer Test (see attachment 1) conducted by the Eurex clearing-house has been passed.

A corresponding regulation was also decided on by the board of Eurex Clearing AG as a requirement for the granting of a Clearing License. This amendment to the Eurex Clearing-Conditions in subsection 1.1.4 paragraphs (2) and (3) is also attached for your information (attachment 2).

The decision to introduce a Clearer Test was made after warnings from Eurex members of the decreasing quality of back-offices and the associated risks. The establishment of an examination for back-office staff, analogous to the trader examination, was called for. Through the modified regulations, Eurex wishes to improve the standard of settlement activities and to support the qualification of back-office staff.

Exchange participants already admitted to trading and Clearing Members will be granted a transitional period of one year, ending on October 1st 2000, to prove compliance with this prerequisite. Consequently, all currently admitted trading participants and Clearing Members must register at least one qualified back-office staff member with Eurex by that time.

To register qualified back-office staff ("QBO") you will need to submit the test certificate(s) with a completed copy of the attached form (attachment 3), with the user identification codes of the person(s) concerned, and return it to Eurex (Admission & Legal Affairs – Membership).

Information on the dates for the Clearer Test, its contents and procedures as well as the required training material will be circulated by our Market Development department – Member Training, in the near future.

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Börsenplatz 7 - 11
D-60313 Frankfurt am Main
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Tel. +49 (0)69-2101-1700
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Geschäftsführer:
Dr. Jörg Franke, Otto E. Nägeli
Andreas Preuß, Jürg Spillmann

If you have any questions our Clearing Helpdesk, Tel. +49 (0)69-2101-1250 will be pleased to assist you.

Yours sincerely,

Otto E. Nägeli

Gudrun Feiertag

Attachments

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08 July 1999

Eurex Clearing AG - Qualification Test for Back-Office Staff

"Clearer Test"

Pursuant to subsection 3.4 of the Exchange Rules for Eurex Deutschland and Eurex Zürich the participation of an enterprise in options and futures trading at Eurex Deutschland and Eurex Zürich (the "Eurex Exchanges") requires that the orderly settlement of options and futures transactions is ensured. The orderly settlement requires, among other things, the use of qualified back-office staff. The same shall apply pursuant to subsection 1.1.4 paragraph (3) of the Clearing Conditions for Trading at the Eurex Exchanges with respect to the admission as a Clearing Member at Eurex Clearing AG.

Qualification of back-office staff members shall be deemed proven if the qualification test ("Clearer Test") carried out by Eurex Clearing AG has been passed.

The method of testing and the content of the qualification test is determined as follows:

1. The qualification test shall be carried out by Eurex Clearing AG upon application by an enterprise admitted to or having applied for participation in trading at Eurex Deutschland or Eurex Zürich and/or as a Clearing Member of Eurex Clearing AG or upon application by a staff member of the back-office of such an enterprise. The applying enterprise must assure that the candidate for the test has a good command of the German or English language.

2.1 Eurex Clearing AG may form a committee which shall determine the test questions as well as the time available to answer the questions (Test Requirements Commission, *Aufgabenkommission*). The members of the test requirements commission shall keep confidential all questions of the test from third parties.

2.2 The qualification tests shall be held as required.

3. Eurex Clearing AG shall determine admission to the test on the basis of the evidence submitted, such as

- a certificate of participation in a preparatory training course for members of the back-office staff or
- a confirmation of sufficient practical experience in the back-office of a trading participant at Eurex or a Clearing Member of Eurex Clearing AG.

4. For participation in the qualification test of Eurex Clearing AG, a fee in the amount of € 200.00 shall be levied; this fee shall be payable upon registration for the test. The fee shall be forfeited in the event of cancellation after the commencement of the test.

5. Subject Matter of the Test

- Central Functionalities of Clearing:
  Delivery (Notification/Allocation), Exercises/Assignments, Record Keeping, Closing Adjustment/Late Closing, Give-up/Take-up, Position Transfer, Trading Calendar
- Product and Market Knowledge:
  Products of the Eurex Exchanges, Margining, Fee Structure

Eurex Clearing AG - Qualification Test for Back-Office Staff

"Clearer Test"

- Functionalities of the System:
  System, Screens, Reports, Raw Data, Back-Office File, Newsboard

- Legal Conditions:
  Default Procedure, Rules and Regulations, Separation of responsibilities, Foreign Trade and Payments Regulation Reports (AWV-Meldewesen), §9 of the German Securities Trading Act (Wertpapierhandelsgesetz, WPHG)

- Organisation:
  Organisation of the Back-Office, User Authorisations

6.1 The test shall be held in German or English as a written or PC-supported supervised test.

6.2 Test candidates must provide personal identification at the request of the test supervisor. Prior to the commencement of the test, candidates will be instructed regarding the testing procedure, the time available and the types of working and test aids which may be used.

6.3 Every test candidate will have 90 questions to answer, which shall be selected at random from a pool of approximately 1000 questions. The test duration shall be 2 hours.

7.1 The test is deemed to have been passed if the test candidate achieves at least 75% of the total of points to be scored.

7.2 The result of the test shall either be "passed" or "failed". There will be no special grading.

8.1 Eurex Clearing AG will promptly inform the test candidate and the applying enterprise in writing about the passing or failure of the test.

8.2 If the participant has failed the test, he or she may re-take it.

8.3 A second re-take requires the exceptional consent of Eurex Clearing AG. The test may be re-taken no sooner than one month after a failed test.

Frankfurt am Main, 8th July 1999

Eurex Clearing AG

Clearing Conditions for Trading at Eurex Deutschland and Eurex Zürich

1.1.4 Prerequisites for the Granting of Clearing Licenses

(2) Every Clearing Member must use appropriate technical equipment (back-office facilities) to ensure the orderly recording, booking and supervision of all transactions, as well as the provision of margin and the calculation of margin requirements with respect to its customers pursuant to the minimum requirements of Eurex Clearing AG (clearing obligations). The Implementation Regulations of the Eurex Exchanges Concerning Technical Equipment shall apply mutatis mutandis in all other respects.

(3) Every Clearing Member is required to use at least one qualified member of staff in the back-office for the orderly fulfillment of its clearing obligations. A sufficient qualification of the members of staff of the back-office for the fulfillment of its clearing obligations shall be presumed if the qualification test offered by Eurex Clearing AG for members of staff of the back-office ("Clearer Test") has been passed. It is required that at least one qualified member of staff is present at any time during the Exchange day and that he or she is available by telephone or fax.

Application for Registration
of Members of Staff of a
"Qualified Back-Office"

Applicant

Member ID

Name of applying exchange participant

Address

First name, surname of contact

Phone Telefax

Eurex
Admission & Legal Affairs - Membership

60284 Frankfurt am Main

I. We herewith apply for registration of the person(s) listed below as member(s) of staff of the "Qualified Back-Office". The required qualification conditions are met for each person to be registered who has passed the "Clearer Test" conducted by Eurex Clearing AG.

If the applying enterprise is also admitted to trading at Eurex Zürich AG, this application shall also apply to Eurex Zürich.

User ID						**Name of the member of staff of the "Qualified Back-Office"**	**Phone No.**	**User's Signature**

Any changes regarding the User IDs stated above must be notified immediately to the Exchange!

II. For evidence of the qualification we enclose with this application the certificates of the clearing house for the above-mentioned person(s).

Place and Date

Company Stamp and Signature