X-pand into the Future

e u r e x *circular 055/03*

Date: Frankfurt, May 15, 2003
Recipients: All Eurex members and vendors
Authorized by: Daniel Gisler

Intra-day Exchange of Collateral

Related Eurex Circulars: 029/03, 050/03

Contact: Functional Help-desk Clearing: Tel. +49-69-21 01-12-50

Content may be most important for:

- ➲ Middle + Back Office
- ➲ Auditing / Security Coordination

Attachments:

1. Collateral Deposit/Release – Standard Procedure Fax Form
2. Intra-day Collateral Deposit/Release – Fax Form

Summary:

In Circular 029/03 we informed you of the procedure for deposit and release of collateral, particularly in relation to the payment of interest on cash deposits.

With effect from June 2, 2003, in order to offer Eurex members further flexibility in their collateral arrangements, Eurex Clearing AG will support the same-day exchange of collateral in the following combinations:

- Deposit of stocks/bonds/ETFs in exchange for deposited cash collateral
- Deposit of stocks/bonds/ETFs in exchange for other deposited securities

The Circular explains the new procedure for each case, and the attachments include an updated fax form to use for the standard overnight procedure (Attachment 1), and the fax form to use for the new intra-day procedures (Attachment 2).

In future, these forms should be used instead of the form attached to Circular 029/03.

Eurex Clearing AG
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, Daniel Gisler
Peter Reitz, Jürg Spillmann
Michael Widmer, Thomas Lenz (Deputy)

Intra-day Exchange of Collateral

In Circular 029/03 we informed you of the procedure for deposit and release of collateral, particularly in relation to the payment of interest on cash deposits. With effect from June 2, 2003, in order to offer Eurex members further flexibility in their collateral arrangements, Eurex Clearing AG will support the same-day exchange of collateral in the following combinations:

- Deposit of stocks/bonds/ETFs in exchange for deposited cash collateral
- Deposit of stocks/bonds/ETFs in exchange for other deposited securities

1. Deposit of stocks/bonds/ETFs in exchange for deposited cash collateral

Members who have deposited cash as collateral (Ending Balance on report RPTCD010) can exchange this amount for securities during the day. Using the fax form attached (Attachment 2) members must advise Eurex before 09:30 CET of the securities to be deposited. At the same time, in the 'Cash' section of the form, the member must specify the amount which should be repaid in exchange for the securities. Cash amounts can only be transferred to the Bundesbank/SNB account known to Eurex.

Special attention should be paid to the selection of securities to ensure:

- that they are accepted as collateral (see Circular 029/03)
- that the collateral evaluation percentage is correct (see Attachment to Circular 050/03 or the Internet page 'Admissible Collateral Securities' at "www.eurexchange.com > Clearing and Settlement > Market Information > Admissible Collateral Securities")

The valuation of the securities advised is the result of multiplying the market value of the securities by the collateral evaluation percentage of the security type. The valuation must correspond at least to the amount of cash requested.

Following receipt and checking of the advice, the requested cash amount will be debited from the member's internal Eurex cash account, and will thus not qualify for payment of interest on that day/weekend. After actual entry of the advised securities into the securities account at the central depository, the cash transfer of the requested amount will be made by 14:45 CET at the latest. The Eurex Clearing help-desk must be informed by telephone that the deposit of the securities has actually taken place.

If the entry of the securities has not taken place by this time, the payment of the requested cash amount can not take place. In such cases, the cash amount will remain on the member's collateral account, but will not be subject to payment of interest for the day/weekend in question.

2. Deposit of stocks/bonds/ETFs in exchange for other deposited securities

The procedure is identical to the one described above. However, the deadline for the advice relating to the deposit of the new securities is 14:45 CET. After the effective entry of the securities into the pledged securities account the requested securities will be booked out of the Eurex internal collateral account and into the central depository (CSD). On the form submitted (Attachment 2) you should indicate with a cross in the appropriate column whether the listed securities should be deposited (D) or released (R).

For the services described above, Eurex Clearing AG will charge a fee of EUR 50.00 or CHF 80.00, depending on the selected clearing currency. The fee will be entered manually into the Eurex system as Fee Type 200 /Account P1 (Other fee – non transaction related) and will be invoiced automatically together with the other fees in the following month. The fees can be displayed in the Clearing GUI window 'Fee Adjustment Overview'.

Please note that if the CSD and/ or the bank referenced on the request is closed for a holiday, the complete request will be postponed until the next possible trading day; no partial exchanges will be carried out.

In future, instead of the form attached to Circular 029/03, the form included here as Attachment 1 should be used for normal (i.e. non-intra-day) deposit/release of collateral.

Frankfurt, May 15, 2003

Eurex Clearing AG
D-60485 Frankfurt am Main
www.eurexchange.com

Eurex Sales Support
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Management Board:
Rudolf Ferscha, Daniel Gisler
Peter Reitz, Jürg Spillmann
Michael Widmer, Thomas Lenz (Deputy)

Attachment 1 to Eurex Circular 055/03

Eurex Clearing AG/EEX AG

FAX +49-69-21 01-43 34

Collateral Deposit / Collateral Release

From:

Telephone:						Fax
Member ID						Member Name

- **Standard Deposit / Release Procedure**

Collateral for:

MARGIN ☐ **CLEARING FUND** ☐ **COMPANY CAPITAL** ☐

Deposit ☐ Release ☐ Value Date ____I_____I____ in 1.SDS ☐ in STD ☐

Stocks/ Bonds/ ETFs

From CBF/CBL/SIS Account	From Sub-account	To CBF/CBL/SIS Account	To Sub-account

ISIN Nr.	Quantity / Nominal Amount	Stock/Bond/ETF Name

Cash

Debit /Credit to SNB/Bundesbank Account

Currency	Amount	In words:

EUR ☐ **CHF** ☐

Date	Company Stamp	Authorized Signatures

Internal processing EUREX Clearing AG: Authorized

Signature 1 / Signature 2

Attachment 2 to Eurex Circular 055/03

Eurex Clearing AG

FAX +49-69-21 01-43 34

Intra-day Collateral Deposit / Collateral Release

From:

Telephone:						Fax
Member ID						Member Name

Collateral for:

MARGIN ☐ **CLEARING FUND** ☐ **COMPANY CAPITAL** ☐

- **Intra-day Exchange of Collateral**

Delivery of Securities for Cash ☐ **Exchange of Securities** ☐

Stocks/ Bonds/ ETFs

From CBF/CBL/SIS Account	From Sub-account	To CBF/CBL/SIS Account	To Sub-account

R*	D*	ISIN Nr.	Quantity / Nominal Amount	Stock/Bond/ETF Name

*** R = Release, D = Deposit** – Please indicate whether the Stocks / Bonds / ETFs should be Released (R) or Deposited (D)

Cash

Debit /Credit to SNB/Bundesbank Account

Currency	Amount	In words:
EUR ☐ **CHF** ☐		

Date	Company Stamp	Authorized Signatures

Internal processing EUREX Clearing AG: Authorized.

Signature 1 / Signature 2

Internal Processing Eurex Clearing AG: Fees booked.

Signature: