Settlement Locations and Settlement Accounts

A Quick Reference

For trading on Eurex Bonds Members may use and maintain up to 16 different settlement accounts. For each member a default settlement account and location combination must be defined that can be changed on trader level.

Members may choose and set-up settlement accounts at Clearstream Banking Frankfurt, Sega Intersettle, Clearstream Banking Luxembourg, or Euroclear for trading on Eurex Bonds.

For all instruments, where the domestic market is not Germany, only the international settlement locations (ICSDs) Clearstream Banking Luxembourg (CBL) and Euroclear (EOC) are supported. Trading in the new European Covered, Corporate, and Government Bonds segments to be introduced on Eurex Bonds in the near future requires the usage of either a CBL or EOC account.

Trade maintenance functionalities on Eurex Bonds allow the modification of settlement location and account on trade level on the same business day.

Eurex Bonds routes all trades to Eurex Clearing. Eurex Clearing will send the settlement instructions directly to the respective settlement location.

The following short introduction to the Eurex Bonds “Settlement Location and Account” is based on the Xetra J-Trader Front-end. Please note however that all functions are also available via VALUES API interface; therefore third party applications may use similar features.

The following activities are only relevant for members, who own more than one settlement account and have communicated these to Eurex Bonds or plan to do so.

1. Application of a new settlement account

Please use for communication of a new settlement location in production the so called "Power of Attorney" document that needs to be submitted by the respective Clearing Member to Eurex Clearing. Additionally Trading Members are asked to provide Eurex Bonds with an updated reference data sheet.

For the implementation of an additional settlement account in simulation a written order by the member needs to be sent to Eurex Bonds, emails will also be accepted.

2. Default Settlement Account Setup on Trader Level

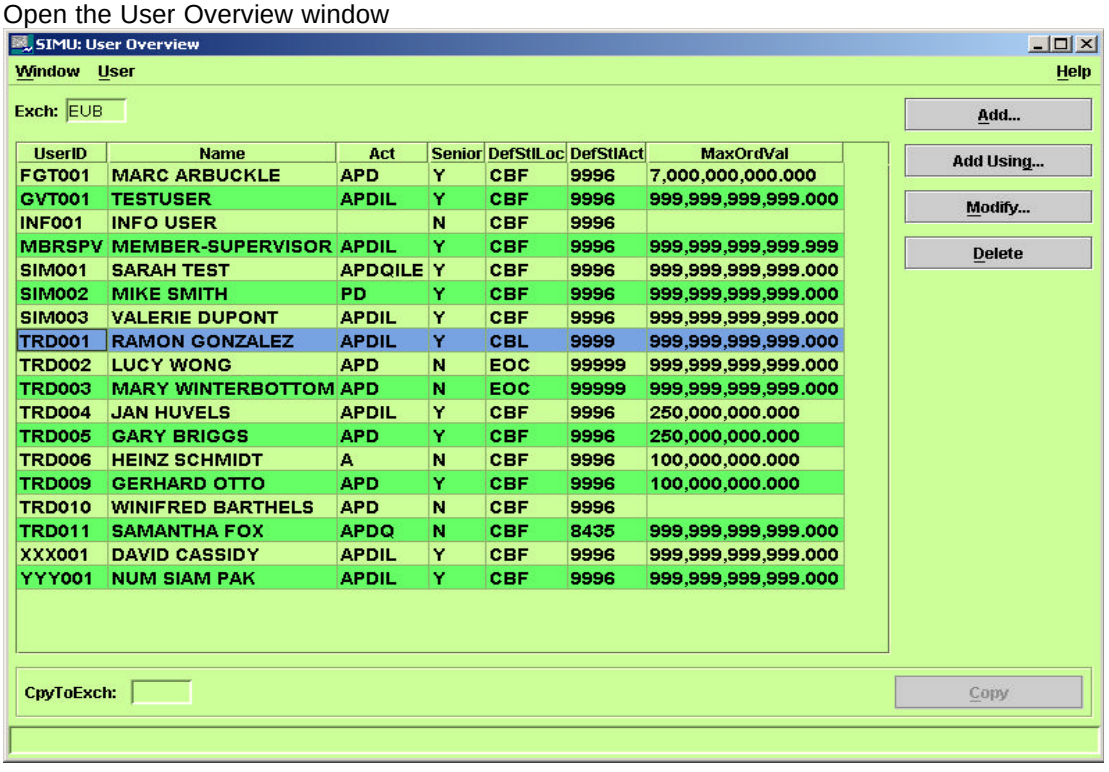
The Member Supervisor can choose from the list of valid settlement location/account combinations of the member to assign a default settlement account for the trader. If no default settlement location and account is entered the member's default settlement account will be automatically applied for the user id.

A Member Supervisor can enter or modify a default settlement account of a user by performing the following steps:

- In the main menu select the sub menu "Settings"

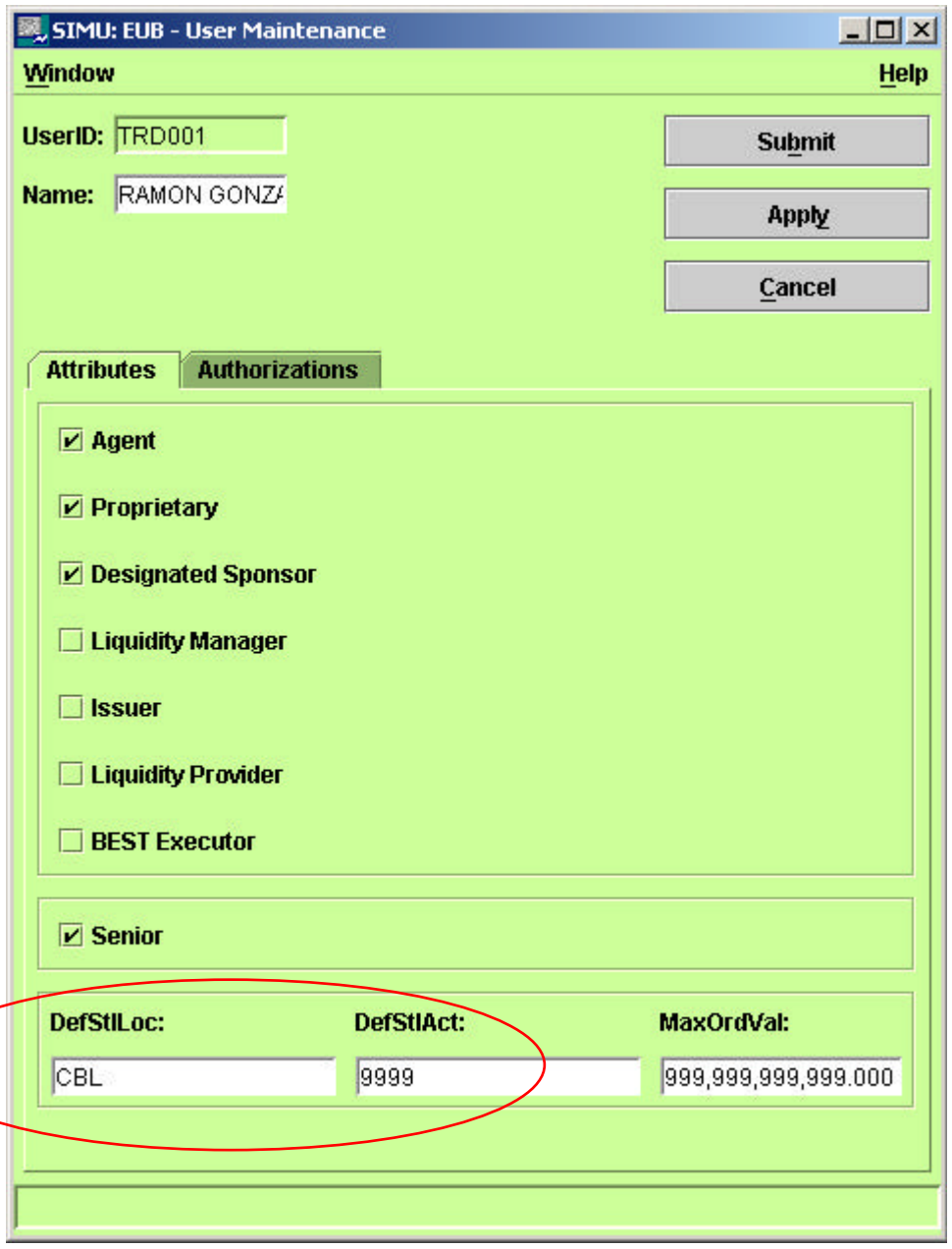


- Open the User Overview window



UserID	Name	Act	Senior	DefStlLoc	DefStlAct	MaxOrdVal
FGT001	MARC ARBUCKLE	APD	Y	CBF	9996	7,000,000,000.000
GVT001	TESTUSER	APDIL	Y	CBF	9996	999,999,999,999.000
INF001	INFO USER		N	CBF	9996	
MBRSPV	MEMBER-SUPERVISOR	APDIL	Y	CBF	9996	999,999,999,999.999
SIM001	SARAH TEST	APDQILE	Y	CBF	9996	999,999,999,999.000
SIM002	MIKE SMITH	PD	Y	CBF	9996	999,999,999,999.000
SIM003	VALERIE DUPONT	APDIL	Y	CBF	9996	999,999,999,999.000
TRD001	RAMON GONZALEZ	APDIL	Y	CBL	9999	999,999,999,999.000
TRD002	LUCY WONG	APD	N	EOC	99999	999,999,999,999.000
TRD003	MARY WINTERBOTTOM	APD	N	EOC	99999	999,999,999,999.000
TRD004	JAN HUVELS	APDIL	Y	CBF	9996	250,000,000.000
TRD005	GARY BRIGGS	APD	Y	CBF	9996	250,000,000.000
TRD006	HEINZ SCHMIDT	A	N	CBF	9996	100,000,000.000
TRD009	GERHARD OTTO	APD	Y	CBF	9996	100,000,000.000
TRD010	WINIFRED BARTHELS	APD	N	CBF	9996	
TRD011	SAMANTHA FOX	APDQ	N	CBF	8435	999,999,999,999.000
XXX001	DAVID CASSIDY	APDIL	Y	CBF	9996	999,999,999,999.000
YYY001	NUM SIAM PAK	APDIL	Y	CBF	9996	999,999,999,999.000

- Click on the user whose default settlement account is to be modified.
- Press the Modify pushbutton. The User Maintenance window will open up.
- In the User Maintenance window, change the default settlement location and / or account

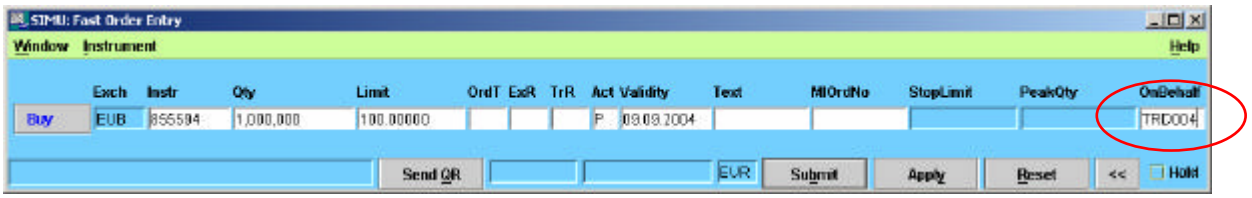


The Member Supervisor can also specify a settlement location and account when a new user ID is entered. If no settlement location and account is entered the member's default settlement account will be automatically applied also for the new user id.

3. On-behalf functionality

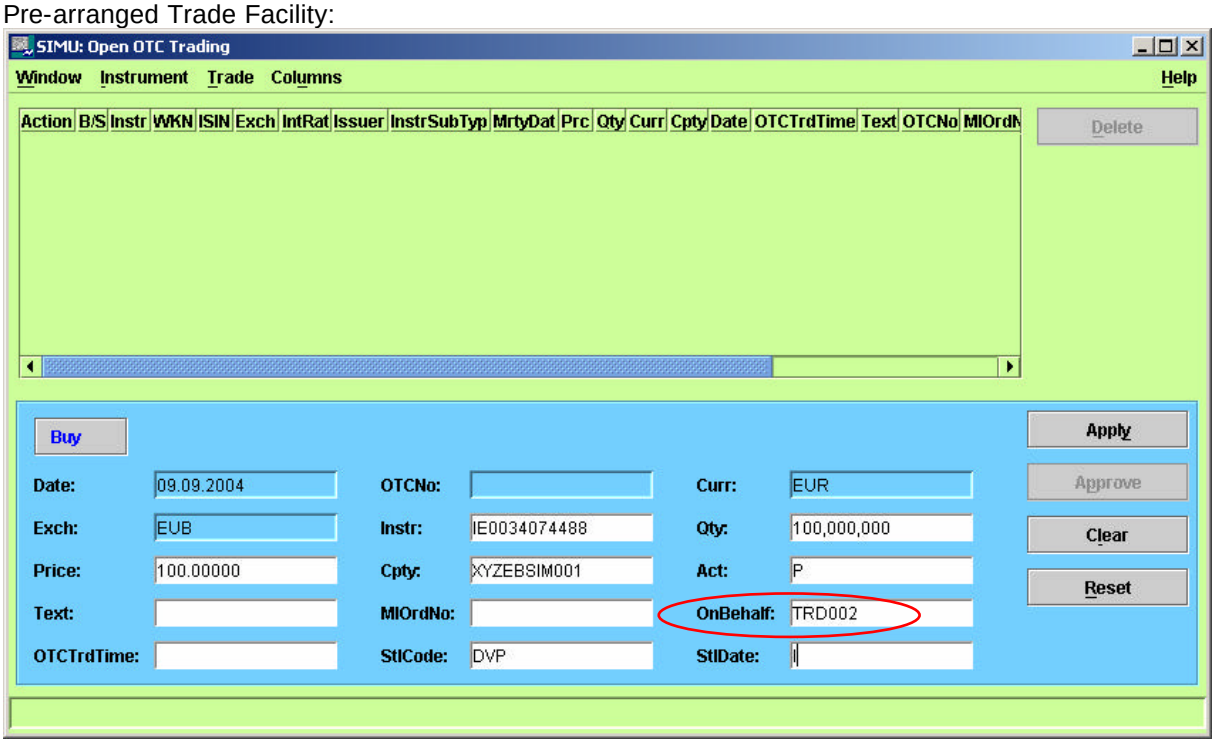
Traders who do not want to log in twice with different user IDs (e.g. one user ID assigned to CBF and the other one assigned to CBL) may also use the on-behalf functionality of the order entry and pre-arranged trade facility to ensure the correct settlement location in the trade confirmation.
On-behalf functionality can also be used via VALUES API.

Fast Order Entry window:



If you enter a “on behalf” trader ID in an order, the resulting trade confirmation will be assigned to the default settlement location and account of the “on behalf” trader ID.

Pre-arranged Trade Facility:



If you enter a “on behalf” trader ID in an offer in the “Pre-arranged Trade facility”, the resulting trade confirmation will be assigned to the default settlement location and account of the “on behalf” trader ID.

4. Trade Maintenance

With the introduction of the new European instruments on Eurex Bonds it needs to be assured that all trades in these instruments are assigned to the supported international settlement locations: Clearstream Banking Luxembourg (CBL) and Euroclear (EOC).

If a trade confirmation in the new European instruments shows a not supported settlement location (e.g. CBF), Eurex Clearing will not accept the trade.

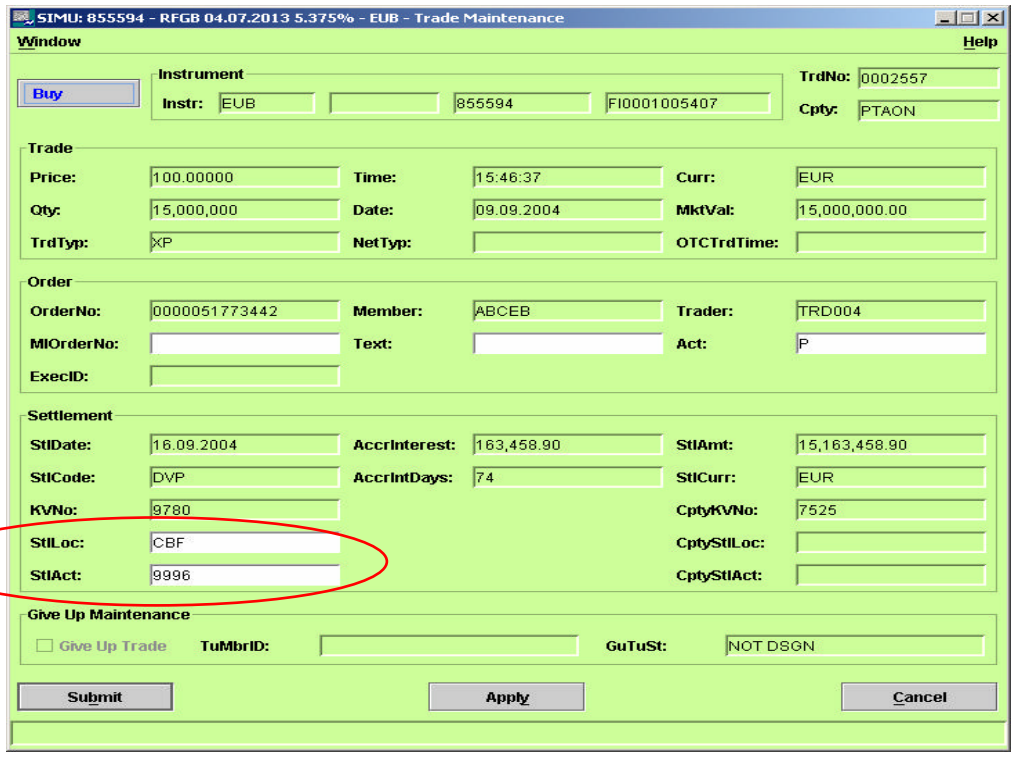
In this case the back-office team of the involved member will be contacted to correct the wrong settlement location in the trade. Trade Maintenance is only possible on the same business day.

The Member's back-office staff can modify the settlement location within a trade by performing the following steps:

- In the main menu select the sub menu "Own"



- Open the window "Own Back Office Information" window
- Selecting the respective trade confirmation via double click opens the window "Trade Maintenance":



Settlement location and account can be modified during the business day.