X-pand into the Future

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Recipients: Eurex Repo/Eurex Bonds Members
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Eurex Clearing AG Becomes Automatic Borrower in Euroclear Settlement

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Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office	none

Since September 22, 2003, Eurex Clearing AG acts as automatic borrower in Euroclear settlement for deliveries of transactions executed on the Eurex markets of Eurex Bonds and Eurex Repo. In the preceding comprehensive test period performed under real working conditions, the settlement borrowing procedure has already been successfully performed. This component enhances the settlement of cross-border transactions and allows in cross-border settlement the earliest possible delivery to Euroclear customers participating in the Eurex Bonds and Eurex Repo markets. By taking part in automatic settlement borrowing, Eurex Clearing AG is able to provide delivery even if customers of Clearstream Bank Frankfurt could not deliver their securities during the overnight processing nor could make them available via BAMBL.

Upon delivery of the respective securities during the following day processing, the borrowing transaction of Eurex Clearing AG to Euroclear will be reversed again. For the beginning, the cost for automatic borrowing in Euroclear settlement will be taken over by Eurex Clearing AG. By means of this measure, Eurex Clearing AG increases considerably the settlement rate for cross-border transactions in the overnight processing, thus providing an important contribution to improve operational interaction of settlement systems.

For clearing members of Eurex Clearing AG which, holding the respective license, clear for the markets of Eurex Bonds and Eurex Repo, this enhancement does not imply any changes to the existing functional and operative processes.

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