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n e w s l e t t e r
N° 23 / July 2000 Zurich – Frankfurt/Main
eurex

Eurex Announces Introduction of Remote Clearing

Eurex is the world's first exchange to expand its remote membership policy and facilities, already valid for trading, to clearing. So-called Remote Clearing will be introduced on August 1, 2000. Participants from every country in the EU and from Switzerland will then not just be able to participate in trading directly; they will also be able to clear transactions themselves. Up to now they have had to clear their transactions through a General Clearing Member in Germany or Switzerland. The derivatives market is thus enhancing the flexibility of its participants in clearing substantially.

Eurex Deputy CEO Otto E. Nägeli said: "The success of Eurex in the past has been based mainly on the opportunity to participate in trading from every place in the world. The same concept for clearing gives us another important competitive edge."
The high security standards of the Eurex clearinghouse will remain largely unchanged by remote clearing. Eurex clearing members will still have to be licensed by their national supervisory authorities for deposit-taking business, lending operations and commission business. A banking permit, however, will then no longer be required. An account with the Landeszentralbank Hessen (LZB) and with the Swiss National Bank (SNB) is necessary for cash settlements.

Eurex currently has about 440 members; most of them have the status of Non Clearing Member (NCM) and use one of the 40 General Clearing Members (GCM) to clear their transactions; GCMs are authorized to clear transactions for third parties in addition to their clients' transactions and transactions for their own account. 49 participants are Direct Clearing Members (DCM), who clear their own transactions and their clients' transactions.

As of August 1, 2000, admission to Eurex Clearing AG as a Clearing Member is dependent on compliance with the following conditions:

- The registered office of the institution must be in a country of the European Union or Switzerland.
- The institution is authorized to conduct investment, credit, and finance commission business by the competent authority in its country of origin.
- The institution is supervised by the competent authority following the statutory guidelines of the European Union.
- For a General Clearing License, liable equity capital and reserves of at least EUR 125 million, or the corresponding amount in the currency of the country of origin, is required.
- For a Direct Clearing License, liable equity capital and reserves of at least EUR 12.5 million, or

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the corresponding amount in the currency of the country of origin, is required.

• The appropriate contribution to the Clearing Fund should be made.

• A securities account and a pledged securities account should be held at Clearstream Banking AG or at SegaIntersettle AG.

• An account should be held at the Landeszentralbank Hessen for euro payments, an account at the Swiss National Bank for Swiss Franc payments, and an account at one of the banks recognized by Eurex Clearing AG for payments in other currencies.

For additional information please contact: Alexander Merkelbach,
T +49 (0)69-21 01-50 34, e-mail: Alexander_Merkelbach@exchange.de
or Gabriele Ristau, T +49 (0)69-21 01-57 41, e-mail: Gabriele_Ristau@exchange.de

In addition to fulfilling the aforementioned conditions, clearing members must make the contribution to the Clearing Fund in the following amounts:

• EUR 5 million or equivalent amount in the currency of their home country for members with a General Clearing License.

• EUR 1 million or equivalent amount in the currency of their home country for members with a Direct Clearing License.

Eurex Release 4.0 Successfully Launched
Clearing GUI Introduced / New Functionality for Money Market Products

On Monday, June 26, 2000, the derivatives market Eurex successfully introduced a new software version of the Eurex electronic trading system. The fourth generation of Eurex software was launched on the target date. Following final simulations with the participants over the past few weeks, trading via the newly installed software was active for the first time.

About 440 participants from 16 countries implemented the introduction of the new software together with Eurex. Release 4.0 is also the basis for the starting release of the joint venture between the Chicago Board of Trade (CBoT) and Eurex. The joint venture will make an electronic trading platform available to the U.S. derivatives exchange CBoT as of this summer. The simulation process will get under way there, as announced, on July 17, 2000.

The main innovation with Release 4.0 is the introduction of a graphical user interface (GUI) for core clearing functions. The Clearing GUI complements the Trading GUI that was launched with Release 3.0. Moreover, in addition to further enhanced system performance, new functionalities have been introduced in clearing, as well as for trading in money-market products. In the future, for example, trade administration and position management, give-up/take-up functionalities, settlement functions as well as data management and user administration functions will be executable via the new graphical interface. The expansion of the give-up/take-up functionality to include OTC block trades gives participants greater flexibility in the settlement of these transactions. OTC block trades enable standardized processing, clearing and settlement of OTC transactions through the Eurex clearinghouse, thus reducing the risk.

To further enhance the trading of money-market products, Eurex is making available the complete integration of calendar spreads between all pairs of successive contract dates in the trading of Eurex money-market futures. Eurex is thus making a state-of-the-art solution available for trading in the Euribor products.

The handling of option exercises, the batch-processing of transactions and the set-up of user profiles have also been further enhanced and simplified. The derivatives market has also expanded the system performance to ensure maximum efficiency for continuing above-average increases in volume. For additional information please contact Gregor Althoff,
T +49 (0)69-21 01-17 00, e-mail: Gregor_Althoff@exchange.de

Eurex and Deutsche Börse AG to Offer Trading Access through Alternative Service Providers **STOXX Limited, Deutsche Bank & Eurex Hold Roadshows to Promote Dow Jones STOXX 50℠ and Euro STOXX 50℠ Futures**

Eurex and Deutsche Börse AG to Offer Trading Access through Alternative Service Providers

As of July 2000, Eurex and Deutsche Börse will offer its customers alternative trading access through the Bloomberg Professional™ service. The alternative access to Eurex has been ready since July, the electronic trading system of Deutsche Börse AG will follow by the end of 2000. Access via additional service providers will become available in the near future.

The move will provide global trading and order routing access to Eurex and Xetra®, reduced costs for member firms using the alternative link and substantially reduced network costs for the exchange.

The new access through a data vendor's network is an alternative to currently used connectivity which provides every member with its own Eurex or Xetra® terminal connected to the exchanges via dedicated lines.

Bloomberg is linked to the electronic trading platform of Eurex and Xetra®, connecting its customers through the existing Wide Area Network (WAN). While any Bloomberg user would have technical access, Eurex and Deutsche Börse still require exchange membership before access to the exchanges is permitted. For more information, please contact Gregor Althoff,
T +49 (0)69-21 01-17 00,
e-mail: Gregor_Althoff@exchange.de

STOXX Limited, Deutsche Bank & Eurex Hold Roadshows to Promote Dow Jones STOXX 50℠ and Euro STOXX 50℠ Futures

In conjunction with STOXX Limited and Deutsche Bank, Eurex held roadshows on June 28 and 29 in Chicago and New York, respectively. The goal of the roadshows was to inform the trading community about the Dow Jones STOXX 50℠ and Euro STOXX 50℠ futures contracts, which were granted approval for direct trading from the U.S. by the CFTC in April, 2000. Since the two STOXX futures have been approved for direct trading from the U.S., volumes have been steadily rising. The roadshows were well attended by over 50 industry participants.

STOXX Limited CEO Michael Schanz and Regional Director Scott Stark spoke on STOXX Benchmark indexes and derivatives in New York and Chicago, respectively, and Nizam Hamid, Director Derivative Sales & Portfolio Research of Deutsche Bank elaborated on the applications of the STOXX products in portfolio management. Eurex also presented a concise overview of volumes on STOXX derivatives traded on Eurex – the leading marketplace for trading derivatives on STOXX products.

A lively Q&A session followed the formal presentations, allowing participants and leading industry experts to exchange views on STOXX products and their applications.

For more information on STOXX products at Eurex, please contact Lothar Kloster,
T +49 (0)69-21 01-61 85,
e-mail: Lothar_Kloster@exchange.de

Member Training **Overview Training & Education July – December 2000**
Derivatives Market

You will find detailed information in the new Training & Education Brochure which may be ordered via the following number:

Member Training, T +49 (0)69-21 01-37 67, F +49 (0)69-21 01-37 63

	Course	July	August	September	October	November	December
Traders Examination	Colloquium for Eurex Traders Examination	24.07.2000 **C** 25.07.2000 **C**	07.08.2000 **P** 09.08.2000 **L** 28.08.2000 **C** 29.08.2000 **C**	04.09.2000 **L** 06.09.2000 **P** 25.09.2000 **C** 26.09.2000 **C**	16.10.2000 **C/L** 17.10.2000 **C** 18.10.2000 **P** 30.10.2000 **C** 31.10.2000 **C**	13.11.2000 **P** 15.11.2000 **L**	11.12.2000 **C** 12.12.2000 **C**
	Eurex Traders Examination	05.07.2000 **C** 06.07.2000 **C** 07.07.2000 **C** 25.07.2000 **L** 26.07.2000 **L** 17.07.2000 **H** 31.07.2000 **P** Wk. of Jul. 31 **C**	01.08.2000 **P** 14.08.2000 **H** 15.08.2000 **L** 16.08.2000 **L** 21.08.2000 **P**	Wk. of Sep. 11 **C** 18.09.2000 **P** 19.09.2000 **H/L** 20.09.2000 **L**	16.10.2000 **H** 17.10.2000 **L** 18.10.2000 **L** 23.10.2000 **P** Wk. of Oct. 16 **C**	Wk. of Nov. 13 **C** 13.11.2000 **H** 21.11.2000 **L** 22.11.2000 **L** 27.11.2000 **P**	11.12.2000 **P** Wk. of Dec. 18 **C** 19.12.2000 **L** 20.12.2000 **L**
System Training	Eurex Technical Member Training		02.08.2000 **L**	21.09.2000 **P**	04.10.2000 **L**	30.11.2000 **P**	06.12.2000 **L** 22.12.2000 **P**
	Eurex Functional Member Training	20.07.2000 **L** 26.07.2000 **P**	08.08.2000 **F** 09.08.2000 **L** 16.08.2000 **P** 31.08.2000 **C**	12.09.2000 **P/L** 28.09.2000 **C**	10.10.2000 **F** 11.10.2000 **L** 17.10.2000 **P** 19.10.2000 **C**	08.11.2000 **L** 15.11.2000 **C/P**	12.12.2000 **F** 13.12.2000 **L** 14.12.2000 **C** 19.12.2000 **P**
	System Training for Eurex Clearing	21.07.2000 **L** 27.07.2000 **P** 28.07.2000 **P**	10.08.2000 **L** 11.08.2000 **L** 17.08.2000 **F/P**	01.09.2000 **C** 13.09.2000 **L/P** 14.09.2000 **L** 29.09.2000 **C**	12.10.2000 **L** 18.10.2000 **P** 20.10.2000 **C**	09.11.2000 **L** 10.11.2000 **F** 16.11.2000 **C/P**	13.12.2000 **F** 14.12.2000 **L** 15.12.2000 **C** 20.12.2000 **P**
	Clearer Test Evidence of Vocational Aptitude for Backoffice Staff	05.07.2000 **C** 24.07.2000 **L** 17.07.2000 **H/P** 24.07.2000 **C** 31.07.2000 **C/P**	14.08.2000 **L/H** 22.08.2000 **P** 28.08.2000 **C**	11.09.2000 **C** 18.09.2000 **L** 19.09.2000 **H/P** 25.09.2000 **C**	16.10.2000 **C/L/H** 24.10.2000 **P** 30.10.2000 **C**	13.11.2000 **C/H** 20.11.2000 **L** 28.11.2000 **P**	11.12.2000 **H/C** 12.12.2000 **P** 18.12.2000 **C/L**
	System Training for Eurex Security			25.09.2000 **L**	27.10.2000 **P**	17.11.2000 **L**	

C Chicago **F** Frankfurt **H** Helsinki **L** London **N** New York **P** Paris

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Eurex Zürich AG
Selnaustrasse 30
CH-8021 Zürich

Eurex Frankfurt AG
Börsenplatz 7–11
D-60313 Frankfurt/Main

To order further copies of this brochure:

T +41 (0)1-229 29 89
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