# eurexbonds circular 37/07

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**Authorized by:** Werner Striegler

**High Priority**

## Whit Monday 2007

Related Eurex Bonds Circulars: 15/07
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| **Content may be most important for:** | **Attachments:** |
|---|---|
| ➲ All Departments | Document: Removal of Giovannini-Barrier 7 and Whit Monday 2007 |

Special arrangements for Whit Monday, May 28, 2007:

We would like to inform you that the management board of Eurex Bonds has decided to **suspend order book trading on May 28 (Whit Monday**) in 2007 only, as this day will be both a public holiday (Memorial Day) in the United States of America and a British public holiday (Spring Bank Holiday).

Nevertheless the Eurex Bonds **Pre-arranged Trade facility will be available** for bonds and May 28, 2007 serves a valid settlement day on the Eurex Bonds platform.

Please find more details in the attached Deutsche Börse Group document "Removal of Giovannini-Barrier 7 and Whit Monday 2007, chapter 2.3 Eurex Bonds".

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DEUTSCHE BÖRSE GROUP

Group-wide Customer Information

# Removal of Giovannini-Barrier 7 and Whit Monday 2007

Please note that the content reflects the duly gathered and checked information available when the document was finalized. Deutsche Börse Group (DBG) reserves the right to publish information which differ from the contents of this document by necessity. DBG will duly inform its customers about potential changes again via customer information.

## Table of Content

**1 Introduction ..... 2**

**2 Trading ..... 3**
2.1 Floor/Xontro ..... 3
2.2 Xetra ..... 4
2.3 Eurex Bonds ..... 5
2.4 Eurex Repo ..... 7
2.5 Eurex Derivatives ..... 8

**3 Eurex Clearing ..... 9**
3.1 Derivatives Clearing ..... 9
3.2 Securities Clearing (CCP) ..... 10

**4 Settlement and Custody ..... 11**
4.1 Clearstream Banking Frankfurt ..... 11
4.2 Clearstream Banking Luxembourg ..... 13

**5 Market Data & Analytics ..... 14**
5.1 CEF ..... 14
5.2 WSS ..... 14
5.3 TRICE ..... 15

**6 Definitions and Abbreviations ..... 16**

# 1 Introduction

With this document Deutsche Boerse Group (DBG) informs its customers about the group-wide availability of systems and the respective services on the following days as announced in November 2006:

- 28 May, Whit Monday - 2007 only
- 24 December, Christmas Eve - from 2007 onwards (if not on a weekend)
- 31 December, New Year's Eve - from 2007 onwards (if not on a weekend).

DBG will align its relevant calendars with the TARGET2 Holiday Calendar[1].

Each chapter is split into three sections:

- General Set-up and Available Services:
  General set-up of each service and system extent of availability
- Opening Hours:
  Times at which services or systems can be used or are available to customers
- Impact on Customers:
  Necessity to provide staff and or to process data.

[1] TARGET2 Holidays are: New Year's Day, Good Friday, Easter Monday, May 01, Christmas Day (December 25) and December 26

# 2 Trading

## 2.1 Floor/Xontro

### 2.1.1 General Set-up and Available Services

24/31 December and Whit Monday 2007 will be handled as any other regular performance day ("Erfüllungstag"), but without price determination. All Xontro processes and systems will be arranged as on all other business days with

- regular interface processing and
- regular reporting.

These performance days without price determination will serve as closing days ("Schlusstag") for OTC trades and as settlement days for (pending) on-exchange and OTC trades.

The price determination functions for lead brokers ("Skontroführer") and the quoting function will be disabled on each performance day before 09:00 a.m. Customers will be informed automatically via the electronic interfaces for banks and brokers ("Makler") about the disabled price determination.

All other functions are available:

- Order management functionalities
- Order routing
- Manual entries by brokers ("Storno" and entering resulting new trades with "abweichender Schlusstag" are possible)
- Processing of "Makleraufgaben"
- OTC trade entry functionality.

As the price determination by the lead brokers is disabled there are consequently no order executions.

Deletion of orders at the end of the year will be executed on the last performance day of the year (31 December), if it does not fall on a weekend.

The additional performance days are valid for corporate actions. Therefore, e.g. a general meeting held on the business day before 24/31 December would lead to an ex quotation on 24/31 December. As a consequence order deletions will be executed on the 24/31 December.

At the end of the year, printing of contract notes ("Schlussnoten", "SNO-Druck") that usually takes place in the early morning is brought forward to the evening; i.e. the exceptional evening process for printing contract notes that now takes place on 30 December will be shifted to 31 December.

Performance measurement will be available on 24/31 December and on Whit Monday 2007 for batch processing. It will be ensured, that no performance calculation takes place and therefore, no performance measurements reports are generated for these days.

### 2.1.2 Opening Hours

The Xontro opening hours might be shortened. The exact timing still needs to be agreed and will be announced at a later time.

### 2.1.3 Impact on Customers

Xontro customers need to assure that their

- IT infrastructure (front and back office systems) is connected and
- Back office employees and, if applicable, front office employees are available for reconciliation, trade management ("Storno") and if applicable OTC trading.

All documentation (files, reports etc.) is provided as on normal business days.

## 2.2 Xetra

### 2.2.1 General Set-up and Available Services

The executive board of FWB decided to keep 24/31 December closed for trading. Furthermore, in 2007 only, trading will be closed on Whit Monday 2007. However, these days are performance days[2]. 24/31 December will be deleted as Exchange Holidays and the Xetra system will be up and running.

On these days, all instruments of Xetra Frankfurt will be set to the status "HALT" to suppress trading. During daytime these instruments will be set from status "HALT" to status "ENDTRADING".

Performance measurement will be available on 24/31 December and on Whit Monday 2007 for batch processing. It will be ensured that no performance calculation takes place and therefore, no performance measurements reports are generated for these days.

### 2.2.2 Opening Hours

Xetra will be in the trading phases "HALT" and "ENDTRADING" during the performance days. The batch starts at 18:30 at the earliest. The reports will be distributed after the batch.

[2] please refer to chapter 2.1.1 for details

### 2.2.3 Impact on Customers

For Xetra members, it will be necessary to have their MISSes up and running on 24/31 December and Whit Monday 2007 so that order deletion confirmations can be received during batch run.

The closed Xetra markets will have the following impact:

- Order management will not be supported, i.e. order entry and order modification will not be allowed. The same applies for quote management.
- Trade management will not be supported (no matching in Xetra Frankfurt). Trade management will be possible for Eurex Bonds OTC trades.
- All pending orders with a validity date greater than the current business day will be forwarded to the respective next business day.
- Order deletions will be processed during the batch on 24/31 December and Whit Monday 2007 depending on order validity.
- Closing prices and valuation prices will not be available on the next business day after 24/31 December and Whit Monday 2007. Last prices from the previous business day will be available.

Xetra Communication Servers (CSs) will be up and running on the specified days.

Regular batch processing will take place on each performance day. All orders with validity date 24/31 December and Whit Monday 2007 will be deleted during the batch. This requires member MISSes to be up and running in order to process the deletions in the order management systems.

Reports will be generated in the course of the Xetra batch as on any regular business day but might be empty due to closed Xetra markets. The end-of-year reports currently generated and distributed on 30 December will be processed on 31 December. No performance measurements reports are generated for these days.

## 2.3 Eurex Bonds

The Eurex Bonds order book market will be closed on 24/31 December and on Whit Monday 2007. Nevertheless these days will be performance days on the Eurex Bonds platform.

### 2.3.1 General Set-up and Available Services

All bond instruments will be set to the status “PRETRADE”. All basis instruments will be set to status “HALT”.

Due to the fact that the order book will not be opened on these days, the following consequences arise:

- Continuous trading (order book trading) will not be activated.
- Pre-arranged trade facility (OTC trade entry) for bonds will be available.
- No market making performance measurement will be provided. All market makers are granted with a market making holiday.
- Entry and modification of orders and quotes in bond instruments will be possible. But since continuous trading will not take place these orders and quotes cannot be executed on the performance days.
- Trade management will be possible for Eurex Bonds OTC trades of the respective day.
- All pending orders with a validity date greater than the current business day will be forwarded to the respective next business day.
- Order deletions will be processed during the batch on 24/31 December and Whit Monday 2007 depending on order validity.
- No closing prices and no valuation prices will be available on the next business day after 24/31 December and Whit Monday 2007. Last prices from the previous business day will be available.

Eurex Bonds trades with validity 24/31 December or Whit Monday 2007 are sent to the CCP system for clearing. Eurex Bonds pre-arranged trades of the respective day are also forwarded to the CCP on the same day.

Xetra Communication Servers (CSs) will be up and running on the specified days.

Regular batch processing will take place on each performance day. All orders with value day 24/31 December or Whit Monday 2007 will be deleted during the batch. This requires member MISSes to be up and running in order to process the deletions in the order management systems.

Performance measurement will be available on 24/31 December and on Whit Monday 2007 for batch processing. It will be ensured that no performance calculation takes place and therefore, no performance measurements reports are generated for these days.

Reports will be generated in the course of the Xetra batch as on any regular business day but might be empty depending on trading volume. The end-of-year reports currently generated and distributed on 30 December will be processed on 31 December.

### 2.3.2 Opening Hours

An adapted Eurex Bonds trading schedule (OTC trade entry) will be applied for bond instruments on the above mentioned days:

| | |
|---|---|
| 07:30 CET | Start of Pre-trading |
| 18:00 CET | End of Trading |

### 2.3.3 Impact on Customers

The above mentioned days are no regular trading days on the Eurex Bonds platform, market making will not be provided but pre-arranged trades can be entered.

All interfaces and reports are available as usual.

It remains in the responsibility of each Eurex Bonds customer to plan the required staff on the respective days. No mandatory market making activity will be required.

Eurex Bonds members will potentially receive trade confirmations. Trade management for OTC trades of Eurex Bonds members will be supported as usual.

No performance measurements reports are generated for these days.

## 2.4 Eurex Repo

**The Eurex Repo Euro market will be opened on 24/31 December and on Whit Monday 2007. These days will also be valid settlement dates for the Eurex Repo Euro market.**

### 2.4.1 General Set-up and Available Services

Eurex Repo Euro market offers all regular trading services on the days mentioned above. Trades with validity 24/31 December or Whit Monday 2007 will be sent to the CCP system for clearing.

### 2.4.2 Opening Hours

The regular Eurex Repo trading schedule will be applied for the above mentioned days:

| | |
|---|---|
| 07:00 CET | Start of Pre-trading |
| 07:30 CET | Start of Trading |
| 18:00 CET | End of Trading |

### 2.4.3 Impact on Customers

The above mentioned days are regular trading days on the Eurex Repo Euro market.

All interfaces and reports are available as usual.

## 2.5 Eurex Derivatives

### 2.5.1 General Set-up and Available Services

In the Eurex system, 24/31 December and Whit Monday 2007 will become regular business days without trading (performance day) in derivatives products. From the legal perspective these days are declared as exchange days with all products set to the holiday status “HOLID”.

Performance of historical clearing transactions as trade adjustments, give-ups, take-ups and position adjustments are allowed. Exercises will not be possible.

Order management activities are not possible, but order deletions will be processed during the batch on 24/31 December and Whit Monday 2007 depending on order validity (GTD-orders)

The daily distributed “Market Maker Quote Request Performance reports” will be distributed as usual, but these days are invalid for the MM performance measurement.

Month-end-reports (e.g. “MM Fee Refund” and “Clearing/Trading Ranking”) will be processed on 31 December.

### 2.5.2 Opening Hours

Eurex derivative trading will be closed yearly on 24/31 December and once on Whit Monday 2007.

### 2.5.3 Impact on Customers

As 24/31 December and Whit Monday 2007 will be regular performance days there might be portfolio risk changes in the case of physical deliveries. Trading in Eurex derivatives will be closed. Eurex customers need to be aware about the potential risk that might occur.

In addition, these days will be counted as exchange days with respect to the definition and determination of the last trading days (e.g. options on fixed income futures).

# 3 Eurex Clearing

## 3.1 Derivatives Clearing

### 3.1.1 General Set-up and Available Services

The CCP and Eurex systems will be up and running on 24/31 December and Whit Monday 2007 and will perform regular intra-day and end-of-day processing. Risk, collateral, and delivery management are offered as full services.

Since all derivatives products will be set to the holiday status "HOLID" the following trade management services will be allowed:

- historical trade adjustments
- historical give-up/take-up
- position adjustments (e.g. close-outs under consideration of the zero cost quantity)
- member position transfers.

Exercises are not allowed, but product, product group specific and overall-market end-of-assignment messages will be generated and distributed as well as all theoretical price files.

### 3.1.2 Opening Hours

The approximate opening hours of these systems are[3]:

| | |
|---|---|
| 8:00 CET | System open, all products set to state "HOLID", cash payments in EUR possible |
| 9:00 CET | Cash payments in CHF possible |
| 13:30 CET | End of supported period (post trade transition), distribution of settlement prices |
| 14:00 CET | End of settlement price distribution |
| 14:30 CET | Transmission of derivatives intra-day-theo-file, end-of-assignment-flag |
| 23:00 CET | Distribution of theo-files and reports |

[3] Opening hours need still to be agreed with appropriate Boards and Committees

### 3.1.3 Impact on Customers

Clearing members have to ensure the orderly processing of post-trade transactions (esp. historical give-up/take-up, close outs) as long as this service is offered by Eurex Clearing. Outside of these service times, availability via phone is sufficient.

Clearing members need to support the risk, collateral, cash and delivery management services.

Funding for cash clearing is mandatory and margin calls have to be fulfilled by the indicated times on 24/31 December and Whit Monday 2007. Non-compliance will result in the application of the Eurex default procedure pursuant to section 7.1 of the Clearing Conditions for Eurex Clearing AG[4].

## 3.2 Securities Clearing (CCP)

### 3.2.1 General Set-up and Available Services

CCP will be up and running on 24/31 December and Whit Monday 2007. All services will be available.

Buy-in auctions will not be performed on 24/31 December and Whit Monday 2007. They will be shifted to the next business day. However, late delivery processes and counting days to buy-in auctions will be handled as on regular business days.

### 3.2.2 Opening Hours

As on any other business day.

### 3.2.3 Impact on Customers

All processes of the CCP will be arranged as on regular business days with

- regular time schedule for settlement
- regular settlement batches in accordance with the relevant (I)CSDs
- regular reporting.

Therefore, customers are impacted as on any other regular business day. Settlement back-offices need to be staffed appropriately.

[4] Clearing Conditions for Eurex Clearing AG – last version 04e – 2. January 2007

# 4 Settlement and Custody

## 4.1 Clearstream Banking Frankfurt

### 4.1.1 General Set-up and Available Services

24/31 December will become regular settlement days[5] for OTC and on-exchange trades without any exceptional processing. Whit Monday 2007 remains a regular settlement day at Clearstream Banking AG, Frankfurt (CBF).

All processes and systems at CBF are arranged as on every other business day pursuant to No. 9 (4) General Terms and Conditions of CBF.

The current processes on 24/31 December (TARGET days) which offer a limited collateral service for Deutsche Bundesbank will be substituted by the regular processing. 24/31 December will be considered within the year-end reporting ("Jahresenddepotauszug"). All CBF systems will be up and running.

### 4.1.2 Opening Hours

24/31 December will become regular settlement days at CBF. All processes and systems will be arranged as on all other business days with

- regular time schedule,
- regular settlement cycles (STD, RT-STD, SDS1, SDS2, RTS),
- regular reporting.

For details please refer to the CBF Customer Handbook.

### 4.1.3 Impact on Customers

Implementing 31 December as a regular settlement day leads to the shift of the month-end and year-end processing from 30 December to 31 December.

24/31 December are regular value days for corporate actions (e.g. due date of "Silvesteranleihen" needs to be taken into account).

Settlement back-offices need to be staffed appropriately in order to continue operation as it is mandatory for customers to provide cash:

- SDS1 and SDS2 cash balances and RTS transactions need to be covered on the respective Bundesbank-account.

[5] This is valid not only for transactions against EUR but also for transactions against foreign currencies (CASCADE-FW).

- Cash reservation instructions need to be entered for the upcoming NTP (STD and RT-STD) (with value day 27 December/02 January) if no standing reservation instruction is used.

## 4.2 Clearstream Banking Luxembourg

### 4.2.1 General Set-up and Available Services

Clearstream Banking S.A., Luxembourg (CBL) is already compliant with the TARGET holiday calendar. No changes will occur.

CBL will adapt the holiday calendar for the German domestic market and will offer the link with CBF on CBF's additional settlement days of 24/31 December.

### 4.2.2 Opening Hours

As on any other business day.

### 4.2.3 Impact on Customers

As CBL is already open today, no changes apply except for the availability of the link to CBF.

Whit Monday remains a regular settlement day at CBL.

# 5 Market Data & Analytics

## 5.1 CEF

### 5.1.1 General Set-up and Available Services

CEF will be available on 24/31 December as on any other regular business day. Data content on these days will be limited as not all markets are open for trading. The same applies to Whit Monday 2007.

### 5.1.2 Opening Hours

CEF is available from 06:00 to 23:00. The functional help-desk offers on-call duty.

### 5.1.3 Impact on Customers

CEF will be available on 24/31 December and Whit Monday 2007 from 06:00 to 23:00.

## 5.2 WSS

### 5.2.1 General Set-up and Available Services

WSS will be available on 24/31 December as on any other business day.

The information service provider “WM-Datenservice”, which forms part of the company “WM-Gruppe”, will not be available on 24/31 December.

On 23 December 2007 WM will deliver two separate master files to WSS:

- Master date file for 24 December
- Master date file for 27 December

Example for 2007: The file (“WM Band”) with the data for 24 December will be imported to WSS on 23 December, whereas the file with the data for 27 December will be imported on 24 December. As for 31 December, the same two-file logic will be pursued (one for 31 December and one for 02 January).

As far as Whit Monday 2007 is concerned, WM will also send two files on the Friday prior to Whit Monday 2007.

### 5.2.2 Opening Hours

The time schedule and interface operations of WSS will remain unchanged.

The same regulation applies to Whit Monday 2007.

### 5.2.3 Impact on Customers

It is not foreseen to deliver a price file and a master file ("Kursdienst") to the customers. Nevertheless, the online information services of WSS will be available (WSS-Online and WSS-Online via Internet). Foreign prices from Reuters will be included as usual.

## 5.3 TRICE

### 5.3.1 General Set-up and Available Services

TRICE will be able to receive and process customers' files on 24/31 December and on Whit Monday 2007 as on any other regular business day but TRICE will not deliver any reports to BaFin on these days. TRICE-Online will also be available as on any other regular business day.

Currently, the TRICE system (§9 Wertpapierhandelsgesetz (WpHG)) is able to receive §9 messages from customers from Monday to Sunday. The messages received on Saturdays/Sundays are reported to BaFin on the upcoming Monday with a time stamp of Saturday/Sunday. This time stamp is accepted by BaFin. The same procedure will be used for 24/31 December and Whit Monday 2007.

### 5.3.2 Opening Hours

TRICE customer service will not be available on 24/31 December and Whit Monday 2007.

### 5.3.3 Impact on Customers

OTC trades that need to be reported to BaFin can be reported to TRICE on 24/31 December and Whit Monday 2007 and will be forwarded to BaFin on the next business day.

# 6 Definitions and Abbreviations

| Term/Abbreviation | Definition/Long description |
|---|---|
| BaFin | Bundesanstalt für Finanzdienstleistungsaufsicht |
| CASCADE | "Central Application for Settlement, Clearing and Depository Expansion"<br>Clearstream computer system for settlement of exchange and off-exchange trades |
| CBF | Clearstream Banking AG, Frankfurt am Main |
| CBL | Clearstream Banking S.A., Luxembourg |
| CCP | Central Counterparty |
| CEF® | "Consolidated Exchange Feed"<br>Deutsche Börse AG's data feed via which information is disseminated to the contracting parties of Deutsche Börse AG<br>Deutsche Börse AG trademark |
| CS(s) | Communication Server(s) |
| DBG | Deutsche Börse Group |
| Eurex Bonds® | Over-the-counter trading platform, e.g. for German government bonds and Jumbo bonds<br>Deutsche Börse AG trademark |
| Eurex Repo® | Over-the-counter trading platform for sale and repurchase agreements (repos), e.g. for German government bonds and Jumbo bonds<br>Deutsche Börse AG trademark |
| Eurex® | Electronic trading platform for the derivatives market<br>Deutsche Börse AG trademark |
| GTD | Good-till-date |
| (I)CSD | (International) Central Securities Depository |
| MISS | Member Integration Systems Server<br>Part of the Xetra front-en installation at the participant |
| MM | Market Maker |
| NGSM | New German Settlement Model |
| NTP | Night-time processing |

| Term/Abbreviation | Definition/Long description |
|---|---|
| OTC | Over-The-Counter Trading<br>Off-exchange securities trading via telephone or an electronic system. |
| Performance Day | Each Exchange day as well as the days additionally determined by the Management Board for the performance of Exchange trades |
| Pre-arranged Trade Facility | Eurex Bonds term for the Xetra "Open OTC Trading" functionality |
| RTS | Real-Time Settlement<br>Settlement cycle from CASCADE |
| RT-STD | Real-Time "Standardverarbeitung"<br>Settlement cycle from CASCADE |
| SDS(1)/(2) | Same-Day Settlement (1st and 2nd Batch processing)<br>Settlement cycle from CASCADE |
| SNO | "Schlussnote" |
| STD | NGSM-"Standardverarbeitung"<br>Settlement cycle from CASCADE |
| TARGET2 | TARGET2 is the future Real-Time Gross Settlement System of the Eurosystem which will replace the decentralized TARGET1-environment (Implementation in November 2007) |
| TRICE® | System through which traders can transmit data on their transactions to the German Federal Financial Supervisory Authority (BaFin)<br>Deutsche Börse AG trademark |
| WM | Wertpapier-Mitteilungen |
| WSS | "Wertpapier Service System"<br>Data pool containing information on more than 250,000 securities from all over the world |
| Xetra® | Electronic trading system for the cash market<br>Deutsche Börse AG trademark |
| XONTRO® | Professional order-routing, trading and settlement system<br>BrainTrade Gesellschaft für Börsensysteme mbH trademark |