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e u r e x *circular 094/00*

Date: Frankfurt, 10 November, 2000
Recipients: All Eurex members and vendors
Authorised by: Otto E. Nägeli

⚠ **High Priority**

Market Maker Obligations and Mistrade Regulations for Stock Options - Changes to Parameters

Related Eurex Circulars: 124/99, 013/00, 090/00, 091/00

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Content may be most important for:

- ➲ Front Office / Trading
- ➲ Middle + Back Office
- ➲ Auditing / Security Administration

Attachments:

1. Market Maker Quote Obligations - Equity Options
2. Market Maker Quote Spreads - Classification of Equity Options
3. Implementation Regulations for the Handling of Erroneous Entries

Summary:

On 01 November, 2000 the Management Boards of the Eurex Exchanges made the decision to adjust the current market maker quote obligation parameters for stock options.

Changes in the areas of maximum spread values and minimum contract sizes for market maker quotes are described in the circular and its attachments. No modifications have been made to the daily quote request response parameters or the minimum holding time.

As a result of the modification to the spreads, changes to the Mistrade parameters for stock options are also required and a new version of the Mistrade Regulations is attached to the circular.

All changes will take effect from 15 November, 2000.

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Market Maker Obligations and Mistrade Regulations for Stock Options - Changes to Parameters

In accordance with section 3.3.2 (Rights and Obligations of Market Makers) of the Exchange Rules for Eurex Deutschland and Eurex Zürich, the Management Boards of the Eurex Exchanges may establish a maximum or minimum spread between the bid and the ask prices, minimum contract sizes for both bid and ask quotes, and a minimum period for maintaining quotes in the EDP system of the Eurex Exchanges.

On 01 November, 2000 the Boards made the decision to adjust the current spread values for stock options with effect from 15 November, 2000. The tables below show the new spread values:

Equity Options quoted in EUR

Class I		Class II		Class III	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 2.00	0.40	0 - 5.00	1.00	0 - 10.00	2.00
2.01 - 15.00	20%	5.01 - 30.00	20%	10 - 50.00	20%
> 15.00	3.00	> 30.00	6.00	> 50.00	10.00

Equity Options quoted in CHF

Class I		Class II		Class III	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 20.00	4.00	0 - 30.00	6.00	0 - 50.00	10.00
20.10 - 250.00	20%	30.10 - 250.00	20%	50.10 - 500.00	20%
> 250.00	50.00	> 250.00	50.00	> 500.00	100.00

The Eurex Boards also made the decision to adjust the minimum quote size for both bid and ask quotes to 20 contracts, also with effect from 15 November, 2000. In the Fast Market state the spreads will increase by 50% and the minimum quote size will be reduced by 50%.
The minimum holding time for a quote remains unchanged at 10 seconds.

An updated version of the Market Maker Obligations in line with the Board decisions of 01 November, 2000 can be found in Attachment 1. This replaces the most recent versions of the Market Maker Obligations issued individually for the various national equity options in circulars 124/99 (Nordic), 013/00 (Dutch, Italian), 090/00 (German, Swiss) and 091/00 (French).

The allocation of stock options to the three classes is defined in Attachment 2. The criterion for categorising each stock is based on a factor calculated from the current market price of the stock multiplied by its current margin parameter value. This ensures that changes in the market situation will result in modification to the spreads. Eurex will review this factor at regular intervals and will re-allocate equity options to different classes if necessary.

As a result of the changes to the spread parameters, a change to the Mistrade Regulations is also required. In future, to qualify as a Mistrade, the definition of the amount by which the price of the trade needs to deviate from the reference price will be dependent on the spread value valid for the stock at the time. The modified version of the Implementation Regulations for the Handling of Erroneous Entries can be found in Attachment 3.

Please ensure that the changes noted above are taken into account with effect from 15 November, 2000.

Frankfurt, 10 November, 2000

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Market Maker Quote Obligations

Equity Options Quote Obligations

Minimum Size: 20 contracts on the bid and ask side in all option series.

Maximum Spread:

Equity Options quoted in EUR

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 2.00	0.40	0 - 5.00	1.00	0 - 10.00	2.00
2.01 - 15.00	20%	5.01 - 30.00	20%	10 - 50.00	20%
> 15.00	3.00	> 30.00	6.00	> 50.00	10.00

Equity Options quoted in CHF

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 20.00	4.00	0 - 30.00	6.00	0 - 50.00	10.00
20.10 - 250.00	20%	30.10 - 250.00	20%	50.10 - 500.00	20%
> 250.00	50.00	> 250.00	50.00	> 500.00	100.00

Response to quote requests: At least 50 % of all Quote Requests have to be answered (up to a max. of 150 quote requests per day):

- within 5 minutes

- with a minimum holding time of 10 seconds.

Market Maker Fees: See Price List.

Fast Market: In the Fast Market state, the maximum spreads will increase by 50% and the minimum quote size will be reduced by 50%.

As of 15 November, 2000

Market Maker Quote Spreads - Classification of Equity Options

Class I	Euro Options	Product ID	CHF Options	Product ID
	ABN Amro	AAR	ABB Asea Brown Boveri	ABBN
	Adidas	ADS	Ciba Spezialitätenchemie	CIBN
	Aegon	AEN	Clariant	CLN
	Generali	ASG	Credit Suisse Group	CSGN
	Aventis	AVE	Givaudan	GIVN
	BASF	BAS	Lonza	LONN
	Bayer	BAY	Swisscom	SCMN
	BMW	BMW	Sair Group	SRN
	BNP Paribas	BNP	Syngenta	SYNN
	Carrefour	CAR	UBS Group	UBSN
	Commerzbank	CBK	Swatch Group	UHRN
	Deutsche Bank	DBK	Unaxis	UNAX
	DaimlerChrysler	DCX	Zürich Financial Services	ZURN
	Degussa Hüls	DHA		
	Deutsche Post World Net	DPW		
	Dresdner Bank	DRB		
	Deutsche Telekom	DTE		
	Elisa Communications	EIA		
	ENI	ENT		
	Stora Enso	ENUR		
	E.ON	EOA		
	EM.TV	ETV		
	Fresenius Medical Care	FME		
	Fortum	FOT		
	France Telecom	FTE		
	Vivendi	GEX		
	Henckel	HEN3		
	Huhtamäki Van Leer	HUKI		
	Hypo- und Vereinsbank	HVM		
	Infineon	IFX		
	ING	INN		
	Intershop	ISH		
	Karstadt	KAR		
	Lufthansa	LHA		
	Linde	LIN		
	L'Oréal	LOR		
	MAN	MAN		
	Metro	MEO		
	Metsä-Serla	MSRB		
	Nokia	NOA3		
	Philips	PHI1		
	Preussag	PRS		
	Royal Dutch	ROY		
	UPM-Kymmene	RPL		
	RWE	RWE		
	Schering	SCH		
	Telecom Italia	SET		
	Sampo	SMPA		
	Sonera	SOY		
	Thyssen-Krupp	TKA		
	T-Online	TOI		
	Tieto Enator	TTEB		
	Unilever	UNI		
	Metso	VLM		
	Volkswagen	VOW		

Market Maker Quote Spreads - Classification of Equity Options

Class II	Euro Options	Product ID	CHF Options	Product ID
	AXA	AXA	Adecco	ADEN
	Consors	CSO	Richemont	CFR
	Epcos	EPC	Holderbank	HOL
	Marschollek + Partner	MLP3	Kudelski	KUD
	Mobilcom	MOB	Nestlé	NESN
	Siemens	SIE	Novartis	NOVN
	Total Fina	TTOB	Rentenanstalt	RAN
			Schweizer Rückversicherung	RUKN
			Serono	SEO
			Sulzer	SUN

Class III	Euro Options	Product ID	CHF Options	Product ID
	Allianz	ALV	Julius Baer	BAER
	Münchner Rückversicherung	MUV2	Roche	ROG
	SAP	SAP3		

Implementation Regulations for the Handling of Erroneous Entries (Fehleingaben) at Eurex Deutschland and Eurex Zürich

1.1 Pursuant to Subsection 1.2.5 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

1.1.1 Scope of Application

The following Implementation Regulations under subsection 1.2.5 paragraph (2) of the Conditions for Trading (Handelsbedingungen) relate to erroneous entries in the trading of options contracts on stocks and stock indices.

1.1.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry deviates significantly from the market price -- hereinafter referred to as the "Reference Price" -- and

b. the Exchange Participant which entered the erroneous entry asserts to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the transaction deviates significantly from the Reference Price, such prices shall be set in proportion to one another in accordance with the following provisions:

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provision or if the Reference Price so determined does not correspond to fair market conditions, the Eurex Exchanges, with the assistance of the option price model (Optionspreismodell) employed by them, shall determine a "theoretically fair" price and use such price as the Reference Price. Alternatively, the Eurex Exchanges shall select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the option series concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

In determining whether the price of the transaction deviates significantly from the Reference Price, a distinction shall be made in the following manner between options contracts on stocks in German joint stock corporations (German stock options) or on German stock indices, the Dow

Jones STOXX 50 Index and the Dow Jones EURO STOXX 50 Index, options contracts on stocks in Swiss joint stock corporations (Swiss stock options) or on Swiss stock indices, option contracts on stocks in Finnish joint stock corporations (Finnish stock options) or Finnish indices, options contracts on Dutch joint stock corporations (Dutch stock options), options contracts on Italian joint stock corporations (Italian stock options) and options contracts on French joint stock corporations (French stock options):

A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on German joint stock corporations (German stock options), Finnish joint stock corporations (Finnish stock options), Dutch joint stock corporations (Dutch stock options), Italian joint stock corporations (Italian stock options) and options contracts on French joint stock corporations (French stock options) is to be presumed when the amount of the deviation exceeds the maximum spread valid at that time with regard to the Reference Price.

The above regulation for the determination of a significant deviation of the price of the transaction from the Reference Price shall also apply to Low Exercise Price Options (LEPO) on the respective joint stock corporations.

A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on German stock indices, Finnish stock indices and options contracts on the Dow Jones STOXX 50 Index or the Dow Jones EURO STOXX 50 Index is to be presumed when the amount of the deviation

- exceeds 20 points[1)] or

- if not in excess of 20 points[1)], the deviation exceeds 20 per cent of the Reference Price or at least 3 points[1)].

[1)] This shall not apply to options on the NEMAX 50: A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on the NEMAX 50 is only given when the deviation exceeds 50 points or, if not in excess of 50 points, exceeds 20 per cent of the Reference Price or at least 5 points.

A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on stocks in Swiss joint stock corporations (Swiss stock options) or on Swiss stock indices is to be presumed when the deviation exceeds 75 per cent of the maximum spread valid at that time with regard to the Reference Price.

Exception:

- The foregoing provision for determining a significant deviation from the Reference Price in the case of transactions pertaining to options contracts on Swiss stocks (Swiss stock options) or Swiss stock indices shall not apply to Low Exercise Price Options on Swiss stocks (LEPO). In the case of LEPO transactions, a significant deviation in the price of a transaction from the Reference Price is to be presumed when the deviation

  - exceeds 0.75 per cent of the Reference Price or at least 3.00 CHF.[2)]

[2] This shall not apply to options for which the underlying security is Rentenanstalt: a significant deviation of the price of the transaction from the Reference Price is only given when the deviation

- exceeds 1.5 per cent of the Reference Price or at least 3.00 CHF.

The provisions of subsection 1.1.2 shall apply *mutatis mutandis* to a combination order pursuant to subsection 1.3.1 paragraph (1) item c of the Conditions for Trading at Eurex Deutschland and Eurex Zürich that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with two limit orders (subsection 1.3.1 paragraph (1) item b of the Conditions for Trading at Eurex Deutschland and Eurex Zürich). However, in respect of the two resulting transactions, whether the price of one of the transactions or of both the transactions deviates significantly from the market price ("Reference Price") is to be determined separately. If the price of only one of the two transactions deviates significantly from the market price ("Reference Price") within the meaning of the foregoing provisions, only such transaction shall be cancelled. The remaining transaction, the price whereof corresponds to the market price ("Reference Price"), shall not be cancelled.

The Implementation Regulations for the Handling of Erroneous Entries set forth in subsection 1.3 shall apply to a combination order pursuant to subsection 1.3.1 paragraph (1) item c of the Conditions for Trading at Eurex Deutschland and Eurex Zürich that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with a combination order.

1.1.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

1.1.4 Cancellation

Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the erroneous entry.

1.1.5 Costs

The Eurex Exchanges shall charge a handling fee -- reflecting expenses but in any case in the minimum amount of 150 EUR [1] or 250 CHF [2] per erroneous entry -- to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transaction - shall be cancelled by the Eurex Exchanges.

[1] Options which are listed in EUR.

[2] Options which are listed in CHF.

1.1.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 1.2.5 paragraph (2) of the Trading Conditions in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Board of Eurex Deutschland or of Eurex Zürich.

1.2 Pursuant to Subsection 1.2.5 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

1.2.1 Scope of Application

The following Implementation Regulations under subsection 1.2.5 paragraph (2) of the Conditions for Trading relate to erroneous entries in the trading of options contracts on interest rate futures.

1.2.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry deviates significantly from the market price -- hereinafter referred to as the "Reference Price" -- and

b. the Exchange Participant which entered the erroneous entry asserts to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the transaction deviates significantly from the Reference Price, such prices shall be set in proportion to one another in accordance with the following provisions:

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provision or if the Reference Price so determined does not correspond to fair market conditions, the Eurex Exchanges, with the assistance of the option price model (Optionspreismodell) employed by them, shall determine a "theoretically fair" price and use such price as the Reference Price. Alternatively, the Eurex Exchanges shall randomly select, from among the group of Exchange Participants admitted to

trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the option series concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

A significant deviation from the Reference Price is to be presumed for options contracts on futures of notional debt securities of the Federal Republic of Germany or of the Treuhandanstalt as well as for options contracts on money market interest rate futures if the price of the transaction deviates by more than eight times the smallest price adjustment (8 ticks), but deviates from the Reference Price by at least the maximum price spread (”Maximum Spread”) determined by the Management Boards of the Eurex Exchanges.

A significant deviation from the Reference Price is to be presumed for options contracts on futures of notional debt securities of the Swiss Confederation if the price of the transaction deviates from the Reference Price by

- more than ten times the smallest price adjustment (10 ticks) in the first expiration month
- more than fifteen times the smallest price adjustment (15 ticks) in every subsequent expiration month.

The regulations contained in subsection 1.2.2 shall apply mutatis mutandis to a combination order pursuant to subsection 1.3.1 paragraph (1) item c of the Conditions for Trading at Eurex Deutschland and Eurex Zürich that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with two limit orders (subsection 1.3.1 paragraph (1) item b of the Conditions for Trading at Eurex Deutschland and Eurex Zürich). However, in respect of the two resulting transactions, whether the price of one of the transactions or of both the transactions deviates significantly from the market price (“Reference Price”) is to be determined separately. If the price of only one of the two transactions deviates significantly from the market price (“Reference Price”) within the meaning of the foregoing provisions, only such transaction shall be cancelled. The remaining transaction, the price whereof corresponds to the market price (“Reference Price”), shall not be canceled.

The Implementation Regulations for the Handling of Erroneous Entries set forth in subsection 1.3 shall apply to a combination order pursuant to subsection 1.3.1 paragraph (1) item c of the Conditions for Trading at Eurex Deutschland and Eurex Zürich that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with a combination order.

1.2.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

1.2.4 Cancellation

Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the erroneous entry.

1.2.5 Costs

The Eurex Exchanges shall charge a handling fee -- reflecting expenses but in any case in the minimum amount of 300 DM [1)], 150 EUR [2)] or 250 CHF [3)] per erroneous entry -- to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transaction - shall be cancelled by the Eurex Exchanges.

1) Options which are listed in DM.

2) Options which are listed in EUR.

3) Options which are listed in CHF.

1.2.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 1.2.5 paragraph (2) of the Trading Conditions in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.

1.3 Pursuant to Subsection 1.2.5 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

1.3.1 Scope of Application

The following Implementation Regulations under subsection 1.2.5 paragraph (2) of the Conditions for Trading relate to erroneous entries in the trading of combination quotes or combination orders for options contracts insofar as such combination quotes or combination orders have been executed through a Combination Quote Book.

1.3.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel transactions effected by the execution of combination quotes or combination orders through a Combinations Quote Book

(hereinafter referred to as “Options Combinations”) in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry deviates significantly from the market price -- hereinafter referred to as the "Reference Price" -- and

b. the Exchange Participant which entered the erroneous entry asserts to the Eurex Exchanges without delay that it mistakenly entered the combination quote or combination order incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

For the purpose of determining a Reference Price, the Eurex Exchanges shall select, from among the group of Exchange Participants which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the Options Combination concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

Whether the price of the Options Combination deviates significantly from the Reference Price thus computed and all the transactions underlying the Options Combination should be cancelled by the Eurex Exchanges shall be determined by employing those parameters for transactions which deviate significantly from a Reference Price that are contained in the Implementation Regulations for the Handling of Erroneous Entries and are applicable to the transactions underlying the Options Combination.

1.3.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

1.3.4 Cancellation

Cancellation of the transactions underlying an Options Combination by the Eurex Exchanges is effected by means of entering corresponding countertransactions into the System of the Eurex Exchanges.

1.3.5 Costs

The Eurex Exchanges shall charge a handling fee -- reflecting expenses but in any case in the minimum amount of 300 DM [1)], 150 EUR [2)] or 250 CHF [3)] per erroneous entry -- to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transactions - shall be cancelled by the Eurex Exchanges.

[1)] Options which are listed in DM.

[2] Options which are listed in EUR.

[3] Options which are listed in CHF.

1.3.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the transactions underlying the Options Combination have been cancelled by the Eurex Exchanges according to subsection 1.2.5 paragraph (2) of the Trading Conditions in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.

1.4 Pursuant to Subsection 1.2.5 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

1.4.1 Scope of Application

The following Implementation Regulations under subsection 1.2.5 paragraph (2) of the Conditions for Trading relate to erroneous entries in the trading of interest rate futures.

1.4.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry deviates significantly from the market price -- hereinafter referred to as the "Reference Price" -- and

b. the Exchange Participant which entered the erroneous entry claims to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the transaction deviates significantly from the Reference Price, such prices shall be set in proportion to one another in accordance with the following provisions:

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provisions or if the Reference Price so determined does not correspond to fair market prices or if a contracting party objects to

the cancellation, the Eurex Exchanges shall select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the futures contracts concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

A significant deviation from the Reference Price is to be presumed when the price of the transaction deviates at least by the interval set by the Management Boards of the Eurex Exchanges.

If the erroneous transaction forms part of a spread transaction the Management Boards of the Eurex Exchanges are entitled to make the Exchange Participant which entered the erroneous entry a contracting party to the regular transaction if the cancellation of the regular transaction would result in a loss for the Exchange Participant who benefited from the erroneous entry.

1.4.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges.

1.4.4 Cancellation

a. Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the erroneous entry.

b. Transactions effected by stop orders caused by an erroneous entry may be cancelled by the Eurex Exchanges by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the original trade.

1.4.5 Costs

The Eurex Exchanges shall charge a handling fee -- reflecting expenses but in any case in the minimum amount of 1,000 DM [1)], 500 EUR [2)] or 800 CHF [3)] per erroneous entry -- to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transactions - shall be cancelled by the Eurex Exchanges.

[1)] Futures which are listed in DM.

[2)] Futures which are listed in EUR.

[3)] Futures which are listed in CHF.

1.4.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 1.2.5 paragraph (2) of the Trading Conditions in connection with these Implementation Regulations. The Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.

1.5 Pursuant to Subsection 1.2.5 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

1.5.1 Scope of Application

The following Implementation Regulations under subsection 1.2.5 paragraph (2) of the Conditions for Trading relate to erroneous entries in the trading of futures on stock indices. Note: As from December 18, 1998, trading in VOLAX Futures has been discontinued.

1.5.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry deviates significantly from the market price -- hereinafter referred to as the "Reference Price" -- and

b. the Exchange Participant which entered the erroneous entry claims to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the transaction deviates significantly from the Reference Price, such prices shall be set in proportion to one another in accordance with the following provisions:

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provisions or if the Reference Price so determined does not correspond to fair market conditions, a Reference Price shall be determined by the Eurex Exchanges. To this end, the Eurex Exchanges may select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall

calculate a market price for the futures contracts concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

A significant deviation from the Reference Price is to be presumed when the price of the transaction deviates from the Reference Price by at least the interval set by the Management Boards of the Eurex Exchanges.

If the erroneous transaction forms part of a spread transaction, the Eurex Exchanges are entitled to make the Exchange Participant which entered the erroneous entry a contracting party to the regular transaction if the cancellation of the regular transaction would result in a loss for the Exchange Participant who benefited from the erroneous entry.

1.5.3 Form Claim

The Exchange Participant claiming an erroneous entry must assert such claim against the Eurex Exchanges by telephone or fax. The assertion of such claim against any one of the Eurex Exchanges shall be deemed to have been made against all Eurex Exchanges

1.5.4 Cancellation

a. Cancellation of the transaction by the Eurex Exchanges is effected by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the erroneous entry.

b. Transactions effected by stop orders caused by an erroneous entry may be cancelled by the Eurex Exchanges by means of entering a countertransaction into the System of the Eurex Exchanges at the price of the original trade.

1.5.5 Costs

The Eurex Exchanges shall charge a handling fee -- reflecting expenses but in any case in the minimum amount of 500 EUR [1)] or CHF 800 [2)] per erroneous entry -- to be paid by the Exchange Participant who caused the erroneous entry. All Eurex Exchange fees that arise - including those in respect of the cancellation transactions - shall be cancelled by the Eurex Exchanges.

[1)] Futures which are listed in EUR.

[2)] Futures which are listed in CHF.

1.5.6 Final Provisions

The Eurex Exchanges shall send a confirmation to the parties concerned to the effect that the relevant transaction has been cancelled by the Eurex Exchanges according to subsection 1.2.5 paragraph (2) of the Trading Conditions in connection with these Implementation Regulations. The

Eurex Exchanges shall publish all necessary price corrections by means of electronic media. The manner and scope of such publication shall be determined by the Management Boards of Eurex Deutschland or of Eurex Zürich.