X-pand into the Future

e u r e x *circular 118/07*

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors

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U **High priority**

Reference Markets: Update and Harmonization of Market Places for the Underlying Instruments of Stock Options and Stock Futures

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Content may be most important for:

Ü All departments

Attachments:

Updated sections of:

1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Clearing Conditions for Eurex Clearing AG

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided to update and harmonize the regulations on the determination of market places (reference markets) for the price of shares which are underlying instruments of stock futures and options contracts. The changes will become effective on **June 18, 2007**.

For the updated rules and regulations please see the attachments. As of June 18, 2007 they will also be published on the Eurex website under the path:

www.eurexchange.com > Documents > Rules and Regulations

[….]

1 Part:
Contract Specifications for Futures Contracts

[….]

1.6 Subpart:
Contract Specifications for Futures Contracts on Shares

[….]

1.6.2 Settlement obligations

After close of trading, the seller of a Shares Futures contract is obligated to settle the difference between the agreed price and the higher final settlement price (Chapter II, number 2.7~~6~~.3 of the Clearing Conditions of Eurex Clearing AG) in cash. The buyer is obligated to settle the difference between the agreed price and the lower final settlement price in cash.

[….]

2. Part:
Contract Specifications for Options Contracts

[….]

2.6 Subpart:
Contract Specifications for Options Contracts and Low Exercise Price Options on Stocks

[….]

2.6.1 Subject Matter of Contract

~~A contract shall generally cover 10, 100, 500 or 1,000 shares.~~ The Board of Management of the Eurex Exchanges shall determine the contract size of the relating product and shall notify all Exchange participation of any such decision. Subsection 2.6.10 shall remain unaffected.

[….]

Annex A in relation to subsection 1.6 of the contract specifications:

Futures on components of Dow Jones EURO STOXX 50® Index / Dow Jones STOXX 600® Index (EUR)	Produkt-ID	Country Code*	Contract Size	Minimum Price Change
[….]				
Allied Irish Banks	ALBF	I~~R~~E	100	0.01
[….]				
Fortis	FO4F	NL~~BE~~	100	0.01
[….]				

Futures on other Dow Jones STOXX 600® Index components	Product-ID	Country Code	Contract Size	Minimum Price Change**	Currency
[….]					
DEPFA	DEPF	~~I~~EDE	100	0.01	EUR
[….]					
Dexia	DXBF	~~BE~~FR	100	0.01	EUR
[….]					
EADS	EADF	~~NL~~FR	100	0.01	EUR
[….]					
Mittal Steel	ISPF	~~NL~~FR	100	0.01	EUR
[….]					
Qiagen	QIAF	~~NL~~DE	100	0,01	EUR
[….]					
Royal Dutch Shell	R6CF	~~GB~~NL	100	0.01	EUR
[….]					
SES Global	SESF	~~LU~~FR	100	0.01	EUR
[….]					
STMicroelectronics	SGMF	~~NL~~FR	100	0.01	EUR
[….]					
TeliaSonera	TLSF	~~SE~~FI	500	0.01	EUR
Tenaris	TENF	~~LU~~IT	100	0.01	EUR
[….]					

~~* Stock Futures of Fresenius (FREG), Porsche (PORG) and Wincor Nixdorf (WING) will be admitted to trading on the respective ex date of the corporate action as soon as such date is announced. The three Stock Futures will be set up in the Eurex® System on January 22, 2007 and will remain on hold until the ex date. The ex date will be published via the Market Supervision messages window.~~

** The quotation of British Single Stock Futures is carried out in Pence.

[….]

* The country code shall be assigned by the Eurex Exchanges and serves the purpose of determining a trading place for the price of the share underlying the contract. Therefore, the country code may deviate from the ISIN code of the share.

Annex B in relation to subsection 2.6 of the contract specifications:

Options on Dow Jones EURO STOXX® 50 Index Components (EUR)	Produkt-ID	Country*	Contract size	Term (month)	Minimum Price Change
[….]					
Fortis	FO4	~~BE~~NL	100	60	0.01
[….]					

Options on SMI®-Components (CHF)	Produkt-ID	Country	Contract size	Term (month)	Minimum Price Change
[….]					
Synthes*	SYST	~~US~~CH	10	24	0.01
[….]					

	Produkt-ID	Country	Contract size	Term (month)	Minimum Price Change
Other Stock Options (EUR)					
[….]					
Depfa	DEP	~~IE~~DE	100	24	0.01
[….]					
Dexia	DXB	~~BE~~FR	100	60	0.01
[….]					
EADS	EAD	~~NL~~FR	100	60	0.01
[….]					
Qiagen	QIA	~~NL~~DE	100	24	0.01
[….]					
STMicroelectronics	SGM	~~NL~~FR	100	60	0.01
[….]					
TeliaSonera	TLSN	~~SE~~FI	500	12	0.01
[….]					

* quoted in CHF.

[….]

* The country code shall be assigned by the Eurex Exchanges and serves the purpose of determining a trading place for the price of the share underlying the contract. Therefore, the country code may deviate from the ISIN code of the share.

Annex C in relation to Contract Specifications:

Trading Hours Futures Contracts

[….]

Individual Equity Futures

Futures Contracts on shares	Country Code	Pre-Trading-Period	Continuous Trade	Post-Trading Full Period	OTC Block Trading	Last Trading Day Trade until
[….]						
Russian Shares	RU	07:30-08:53	08:53-17:45	17:45-~~19~~18:~~00~~30	09:00-18:30	16:40

* The trade in Futures contracts on shares starts following the beginning of trading in options on shares; all times CET.

[….]

[….]

Chapter II
Transactions at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

[….]

Part 2
Clearing of Futures Contracts

[….]

2.7 Clearing of Futures Contracts on Shares

[….]

2.7.2 Final Settlement Price

The final settlement price of the Futures contracts will be determined by Eurex Clearing AG (Number 1.6.4 of the Contract Specifications for Futures contracts and Options contracts at the Eurex Deutschland and Eurex Zürich) at the final settlement day of a contract. The official final settlement price of the share on the cash market determined in the following is relevant for determination of the final settlement price:

Eurex country code of the Futures contract according to Annex to the Contract Specifications	Cash Market
AT	Electronic Trading System of the Wiener Börse
BE	Electronic Trading System of the Euronext Brussels
CH	Electronic Trading System of virt-x or SWX
DE, US	Electronic Trading System of the Frankfurter Wertpapierbörse
FI	Electronic Trading System of the Helsinki Stock Exchange
FR	Electronic Trading System of Euronext Paris
GB, RU	Electronic Trading System of the London Stock Exchange
IR	Electronic Trading System of the Irish Stock Exchange

IT	Electronic Trading System of the Borsa Italiana
NL	Electronic Trading System of Euronext Amsterdam
PT	Electronic Trading System of Euronext Lissabon
GR	Electronic Trading System of the Athener Börse
SE	Electronic Trading System of the Stockholm Stock Exchange[1]
ES	Electronic Trading System of the Bolsa de Madrid

~~(1) With respect to Futures contracts on Swiss shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Virt-X respectively the Swiss Exchange on the final settlement day.~~

~~(2) With respect to Futures contracts on German shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Deutsche Börse on the final settlement day.~~

~~(3) With respect to Futures contracts on Belgian shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Euronext Brussels on the final settlement day.~~

~~(4) With respect to Futures contracts on French shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Euronext Paris on the final settlement day.~~

~~(5) With respect to Futures contracts on Italian shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Borsa Italiana on the final settlement day.~~

~~(6) With respect to Futures contracts on Dutch shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Euronext Amsterdam on the final settlement day.~~

[1] The prices determined in Swedish kronas are converted into euros on basis of the reference price determined by the European Central Bank on a daily basis.

~~(7) With respect to Futures contracts on Spanish shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Bolsa de Madrid on the final settlement day.~~

~~(8) With respect to Futures contracts on Finnish and Swedish shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of Helsinki Stock Exchange on the final settlement day.~~

~~(9) With respect to Futures contracts on Irish shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of the Irish Stock Exchange on the final settlement day.~~

~~(10) With respect to Futures contracts on Austrian shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of the Vienna Stock Exchange on the final settlement day.~~

~~(11) With respect to Futures contracts on Greek shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of the Athens Stock Exchange on the final settlement day.~~

~~(12) With respect to Futures contracts on Portuguese shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of the Euronext Lissabon on the final settlement day.~~

~~(13) With respect to Futures contracts on Swedish shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of the Stockholm Stock Exchange on the final settlement day.~~[2]

~~(14) With respect to Futures contracts on Russian shares, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of the London Stock Exchange on the final settlement day.~~

~~(15) With respect to Futures contracts on British shares listed in GBP, the final settlement price is based on the closing price of the respective share calculated by the electronic trading system of the London Stock Exchange on the final settlement day.~~

[….]

[2] With respect to Futures Contracts on shares of TeliaSonera, the regulations for Futures contracts on shares of Finnish Stock Corporations apply mutatis mutandis. See Paragraph 8.

Part 3
Clearing of Options Contracts

[....]

3.6 Clearing of Options Contracts and Low Exercise Price Options on Shares

[....]

3.6.3 Reference Price

(1) For the determination of the reference price, the ~~following~~ cash markets named in Number 2.7.2 are respectively assigned to the shares options respectively the LEPOs:

~~§~~ ~~for Options contracts or LEPOs on shares of German or US stock corporations, the electronic trading system of the Frankfurt Stock Exchange is assigned~~

~~§~~ ~~for Options contracts or LEPOs on shares Swiss stock corporations[3], the electronic trading system of virt-x or of SWX is assigned~~

~~§~~ ~~for Options contracts or LEPOs on shares of Finnish stock corporations, the electronic trading system of the Helsinki Stock Exchange is assigned~~

~~§~~ ~~for Options contracts or LEPOs on shares of Dutch stock corporations[4], the electronic trading system of the Amsterdam Stock Exchange is assigned~~

~~§~~ ~~for options contracts or LEPOs on shares of Swedish stock corporations, the electronic trading system of Stockholmsbörsen is assigned~~

~~§~~ ~~for Options contracts or LEPOs on shares of French stock corporations[5], the electronic trading system of the Bourse de Paris is assigned~~

[3] With respect to shares options and LEPOs on the Synthes securities, the regulations for option contracts respectively LEPOs on shares of Swiss stock corporations apply.

[4] With respect to shares options and LEPOs on the Fortis securities, the regulations for option contracts respectively LEPOs on shares of Dutch stock corporations apply.

~~§~~for Options contracts or LEPOs on shares of Italian stock corporations, the electronic trading system of the Borsa Italia is assigned

~~§~~for options contracts or LEPOs on shares of Spanish stock corporations, the electronic trading system of Bolsa de Valores de Madrid is assigned.

~~§~~for options contracts or LEPOs on shares of Russian stock corporations, the electronic trading system of London Stock Exchange is assigned.

(2) The reference price shall be the price of the respective underlying security effected on the closing auction in the respective electronic trading system (Number 3.6.3 Paragraph 1). If no price in the underlying security is effected on the closing auction, the volume-weighted average of the last three "paid" prices (Bezahlt-Preise) of the respective underlying security effected in the electronic trading system of the respective Stock Exchange shall be authoritative.

(3) If three prices in the underlying security are also not effected in the electronic trading system of the respective reference market or if the price does not reflect the true market conditions, Eurex Clearing AG shall determine the reference price.

[….]

(continued...)

[5] With respect to shares options and LEPOs on the Dexia, EADS, ST Microeletronics securities, the regulations for option contracts respectively LEPOs on shares of French stock corporations apply.