X-pand into the Future

e u r e x *circular 120/07*

Date: Frankfurt, June 15, 2007
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Lenz

Outsouring of Clearing Functions: Amendment to Clearing Conditions for Eurex Clearing AG

Contact: Member Services & Admission, tel. +49-69-2 11-1 17 00

Content may be most important for:	**Attachment:**
Ü Front Office/Trading Ü Middle + Backoffice Ü Auditing/Security Coordination	Updated sections of Clearing Conditions for Eurex Clearing AG

Attached to this circular please find for your information the amended Clearing Conditions for Eurex Clearing AG approved by the Executive Board of Eurex Clearing AG in its session on June 13, 2007. The changes will become effective on **July 1, 2007**.

The Clearing Conditions, the updated sections of which can be found in the attachment, now comprise the regulations for outsourcing clearing functions. For the complete Clearing Conditions please see the Eurex website under the path:

www.eurexchange.com > Documents > Rules & Regulations > Clearing Conditions

Detailed information (also on specific restrictions for a country, e.g. for USA) and the forms regarding outsourcing of clearing functions can also be found on the Eurex website:

www.eurexchange.com > Documents > Forms > Clearing Derivatives > Single Forms

Besides, we would like to point out in this connection the information and forms with regard to outsourcing trading and back office function:

www.eurexchange.com > Documents > Forms > Trading Derivatives > Single Forms

For further information please feel free to contact the Member Services & Admission Team at tel. +49-69-211-1 17 00.

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Aktiengesellschaft mit
Sitz in Frankfurt/Main
HRB Nr. 44828
Amtsgericht
Frankfurt/Main

[....]

Part 10
Transmission of information by Eurex Clearing AG; Outsourcing of Clearing Functions

[....]

10.3 Fulfillment and partial Outsourcing of a Clearing Members' Functions

(1) Clearing Members have to perform themselves and on their own responsibility all functions incumbent on them in the context of transactions included in the clearing by Eurex Clearing AG especially risk management. This applies independent of the clearing procedure being technically conducted via the Eurex Clearing System or via the Link Clearing House.

(2) ~~Upon request of a~~A Clearing Member may, upon prior written notification to Eurex Clearing AG ~~may give the Clearing Member the consent to outsource~~ , outsource specific clearing ~~or~~ and risk management functions to a third party, provided that the ~~outsourcing Clearing Member of Eurex Clearing AG designates a qualified contact person and the third party who takes over the specified clearing functions of Eurex Clearing AG~~following prerequisites are fulfilled with the outsourcing:

a) With regard to the approval to perform financial services for others, the supervisory status of the third party shall at least be similar to the status of a financial service provider. ~~is designated in writing by the Clearing Member and~~

b) ~~this enterprise has the right for supervision pursuant to Number 2.1 Paragraph 3 Item a or b and~~The third party shall have its registered offices is a country in which an information exchange between the national supervisory authority and the Federal Financial Supervisory Authority is guaranteed.

c) the ~~prerequisites for the~~ orderly conduct of the clearing ~~are~~is ~~fulfilled~~guaranteed. It shall prove especially:

- that a qualified employee in the back office is appointed; Number 2.2 Paragraph ~~3~~ 4 Item f applies mutatis mutandis,
- the securing of the access at any time of the outsourcing General Clearing Member or Direct Clearing Member respectively to the outsourced clearing functions of the relevant systems of the storing third party
- the securing of the orderly recording, management and deposit of money and securities stocks (holdings) according to the rules of the German Banking Act or comparable rules of the country of origin of the depositing enterprise.

  Further details may be determined by Eurex Clearing AG and notified to the General Clearing Members or Direct Clearing Members.

(3) In case of outsourcing of specific clearing functions pursuant to Paragraph 2, the Clearing Member will remain responsible and liable towards Eurex Clearing AG for the orderly conduct in the scope of the clearing process.

(4) Eurex Clearing AG reserves the right to require in individual cases further information and evidence concerning the orderly conduct of clearing functions by the Clearing Member or the third party to which the clearing functions have been outsourced. Furthermore, Eurex Clearing AG may in individual cases at any time and at its own expense authorise an independent auditor to check documents and processes related to the clearing in the business premises of the Clearing Member and the third party that has taken over specific clearing functions. The Clearing Member shall ensure the according powers vis-à-vis the insourcing third party by agreements.

(5) In case Eurex Clearing AG notices or probable cause exists that the prerequisites for the outsourcing do no exist, the Clearing Member is obligated to immediately fulfill the prerequisites for the outsourcing or to terminate the oursourcing. The same applies if the outsourcing violates other legal provisions. Number 2.4 of this Chapter applies accordingly.

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