X-pand into the Future

eurex circular 113/07

Date: Frankfurt, June 5, 2007
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book

⚠ **Action required** ⚠ **High priority**

Collateral Deposit: Acceptance of Collateral in U.S. Dollar, British Pound and British Securities

Related Eurex Circulars: 228/06, 231/06

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Content may be most important for:	**Attachment:**
➲ Middle + Backoffice ➲ IT/System Administration ➲ Auditing/Security Coordination	Information: Collateral in U.S. Dollar, British Pound and British Stocks

The Executive Board of Eurex Clearing AG decided with effect from **June 1, 2007** to accept cash collateral in U.S. dollar (USD) to cover overnight margin requirements as well as cash collateral in British pound (GBP) to cover overnight and intraday margin requirements.

Pursuant to a second resolution of the Executive Board of Eurex Clearing AG, British securities will be accepted as collateral in the form of securities also effective **June 1, 2007.**

Please find attached more detailed information enabling you to use the expanded service of Eurex Clearing AG for the acceptance of additional collateral.

eurex

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

Collateral in U.S. Dollar, British Pound and British Securities

Pursuant to chapter I section 3.3 of the Clearing Conditions of Eurex Clearing AG, cash collateral can be provided in various currencies. Effective June 1, 2007, the Executive Board of Eurex Clearing AG decided to additionally accept cash collateral in U.S. dollar (USD) to cover overnight margin requirements as well as cash collateral in British pound (GBP) to cover overnight and intraday margin requirements.

By means of accepting these additional currencies as margin, Eurex Clearing AG will in particular satisfy the demands of international Members for improved flexibility in providing collateral. For Clearing Members, two more currencies will now be available. In this connection, please note, however, that U.S. dollar and British pound will not be clearing currencies. As a matter of course, Overnight Margin Calls will only take place in the Clearing currency selected by Clearing Members (Euro and Swiss francs). For covering Intraday Margin Calls, however, Members may use all four currencies in the future.

If a Member wishes to provide collateral in the form of cash, this will depend on the availability of the required payment transaction infrastructure. For provision of the two new margin currencies, payment transaction infrastructures as required for trading in the respective currency products need to be in place at the respective payment banks (see Eurex circular 228/06 for British pound and circular 231/06 for U.S. dollar)

Process flow:

- The Clearing Member announces the planned provision of cash collateral per fax to Eurex Clearing AG (Market Supervision).
- Eurex Clearing AG (Market Supervision) debits the announced amount per S.W.I.F.T. instruction from the deposited account of the respective payment infrastructure.
- As soon as the payment has been received, the amount will be credited to the Member as margin and henceforth considered in Intraday Margining and batch processing.
- In order to release the deposited cash collateral, the Clearing Member announces the respective instruction to Eurex Clearing AG (Market Supervision) by sending a fax.
- Eurex Clearing AG (Market Supervision) transfers the respective amount per S.W.I.F.T. instructions to the deposited account of the respective payment infrastructure (only if the Clearing Member's remaining collateral will be sufficient).

In order to be able to consider the Clearing Member's cash collateral provided voluntarily for margin calculation in batch processing on the same day, please note the following deadlines for cash receipts on the accounts of the payment banks of Eurex Clearing AG:

U.S. dollar: 18:00 CET

British pound: 15:00 CET

To release cash collateral on the following day, a fax needs to be sent to Eurex Clearing AG at the times listed above, the latest.

Also effective June 1, 2007, the Executive Board of Eurex Clearing AG decided that British securities will be accepted as collateral in the form of securities. As a precondition for acceptance, derivatives need to be traded on these securities at the Eurex Exchanges and these shares need to be used for calculation of the FTSE-100 Index. Also, these securities need to be deposited at the respective Clearing Member's collateral location, i.e. Clearstream Banking AG, Clearstream Frankfurt or SIS SegaInterSettle AG, Zürich.

Frankfurt, June 5, 2007