X-pand into the Future

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U **High priority**

Price List of Eurex Clearing AG: Changes in relation to the Implementation of "Code of Conduct"

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Content may be most important for:	**Attachment:**
Ü Middle + Backoffice Ü IT/System Administration Ü Auditing/Security Coordination	Updated sections of Price List

Summary:

To improve price transparency, a Code of Conduct for Clearing and Settlement of cash equities was adopted together with other members of the European trading and post-trading industry on November 7, 2006. It defines amongst other topics requirements for price transparency on all layers of the value chain that have to be in place by December 31, 2006. Within Deutsche Börse Group, the trading platforms Xetra and XONTRO (floor trading), the equity CCP operated by Eurex Clearing AG and the settlement and custody business of Clearstream will be subject to these rules.

To a large extent, pricing for clearing cash equities at Eurex Clearing AG is already compliant with the requirements of the Code of Conduct. Nevertheless, some modifications were made to further increase clarity. The changes are highlighted in the attached revised version of the Price List of Eurex Clearing AG and will come into effect on **January 1, 2007**.

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Price List of Eurex Clearing AG: Changes in relation to the Implementation of "Code of Conduct"

As of December 14, 2006, Deutsche Börse Group is providing its customers with an improved overview of prices for the trading, clearing, and settlement of cash equities. Customers will find this information on the website of Deutsche Börse Group (**www.deutsche-boerse.com/code**)

Background of these measures is the Code of Conduct for Clearing and Settlement of cash equities that Deutsche Börse Group adopted together with other members of the European trading and post-trading industry on November 7, 2006. It defines amongst other topics requirements for price transparency on all layers of the value chain that have to be in place by December 31, 2006. Within Deutsche Börse Group, the trading platforms Xetra and XONTRO (floor trading), the equity CCP operated by Eurex Clearing AG and the settlement and custody business of Clearstream will be subject to these rules.

Price transparency in the Code of Conduct supports the effort of the European Commission to bring forward further integration of European cash equity markets. Improvement of comparability of service providers is one of the most important aspects of this effort. Customers will be able to better anticipate the costs an obtained service will generate and will have the possibility to reconcile their ex-post billing with the published prices more easily than before.

To a large extent, pricing for clearing cash equities at Eurex Clearing AG is already compliant with the requirements of the Code of Conduct. Nevertheless, some modifications were made to further increase clarity:

A new section 2 was added to the Price List containing the fees for the technical connection to Eurex Clearing AG which were so far published exclusively on the Eurex website (under the path www. Eurexchange.com > Technology > Communication Costs) and via circular.

At the same time, connection fees have been decreased reflecting reduced network cost due to lower bandwidth prices.

Additions and changes in wording were made to section 5 to make this section more comprehensive, especially with regard to the positive netting impact on settlement fees.

A revised version of the Price List is attached to this circular and published on the Eurex website. The changes will come into effect on January 1, 2007.

Frankfurt, December 14, 2006

Preamble

On the basis of the applicable Clearing Conditions of Eurex Clearing AG (hereinafter referred to as "Clearing Conditions") ~~in effect at the respective time~~, the Conditions for Utilization of the OTC Trade Entry Facilities ("OTC Conditions") respectively the General Conditions for Utilization of Eurex Clearing AG ("Conditions for Utilization") in effect at the respective time"), the Price List sets forth the fees individually assessed by Eurex Clearing AG for the matters set forth below and provided for in ~~the Clearing~~aforementioned Conditions.

[….]

2 Connection Fees

In order to gain access to clearing services of Eurex Clearing AG, participants may choose between connections via a leased line or via internet, each with a bandwidth of 128 kbit/s or 64 kbit/s. In order to gain access to the clearing services for derivatives and to the risk management facilities (Risk-Based Margining), participants may (if available) use their connection to Eurex Deutschland and Eurex Zürich as well.

The following chart gives an overview of the available connection components with the respective monthly fees:

Connection Component	Fee per Month
Per 128 kbit/s bandwidth of a leased line	EUR 1,200
Per 64 kbit/s bandwidth of a leased line	EUR 900
Per 128 kbit/s internet connection	EUR 500
Per 64 kbit/s internet connection	EUR 400

The total sum of the monthly connection fees results from the number of connection components installed with a participant, multiplied with the respective fee per connection component.

Irrespective of the number of installed connection components, an additional monthly fee of EUR 500 per participant for the services described in paragraph 4 of the Conditions for Utilization shall be charged.

~~2~~3 Transaction Fees of Eurex Deutschland and Eurex Zürich

[….]

~~5~~6 Transaction Fees of the Frankfurt Stock Exchange (FSE)[1]

For transactions pursuant to Chapter I subsection 5.2 of the Clearing Conditions being in connection either with transactions concluded on the Frankfurt Stock Exchange (FSE) pursuant to Chapter V of the Clearing Conditions (hereafter referred to as "FSE transactions") or with off-exchange entries in the electronic trading system of FSE pursuant to Chapter V subsection 1.3 of the Clearing Conditions (hereafter referred to as "Xetra OTC transactions"), Eurex Clearing AG shall charge fees for the settlement and clearing performed by it. Eurex Clearing AG shall also charge fees for the services rendered by it in this connection including the settlement of FSE transactions performed by Clearstream Banking AG, Frankfurt and of Xetra OTC transactions ~~(hereafter referred to as "Services")~~. ~~Transaction fees do not include any costs and / or fees for the execution of FSE transactions concluded and the registration of Xetra OTC transactions.~~

~~Notwithstanding the netting procedure provided for FSE transactions pursuant to the Clearing Conditions, the following shall apply to the calculation of the fees to be paid for the aforementioned services:~~

- ~~For the clearing of orders that have been executed in the electronic trading system Xetra® ("Xetra® transactions") transaction fees will be charged based on the number and the nominal value of the executed orders[2]. For the clearing of transactions that have been concluded in floor trading of the Frankfurt Stock Exchange ("floor trading transactions"), transaction fees will be charged based on the number of the respectively concluded clearing transactions. For the clearing of Xetra OTC transactions, transaction fees based on the number of Xetra OTC transactions recorded on the same day will be charged.~~

- ~~For the settlement of Xetra®, floor trading and Xetra OTC transactions, fees are charged based on the number of settlement instructions taking offsetting of transactions into consideration where applicable.~~

~~5.1 Transaction Fees~~

~~In connection with the performance of the clearing of FSE transactions and of Xetra® OTC transactions pursuant to Chapter I number 1.6 of the Clearing Conditions, Eurex Clearing AG offers an electronically supported service which enables a gross delivery management.~~

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[1] Part 5 as well as the other provisions of the Price List shall also apply mutatis mutandis to the clearing of transactions concluded on the Rhineland-Westphalia Stock Exchange, Düsseldorf, which correspond to the characteristics of the transactions concluded on the Frankfurt Stock Exchange described in Chapter V of the Clearing Conditions and which are included in the clearing process performed by Eurex Clearing AG.

~~[2] The calculation of the clearing fees for Xetra® transactions will be performed per trading day. If a Xetra® order is executed over several trading days, the calculation of the clearing fees will be performed for each trading day.~~

~~In accordance with the usage of the electronically supported service provided within the context of the gross delivery management, the fees as set forth below shall be charged.~~

~~Transaction fees with regard to clearing (Number 5.1.1 and 5.1.1) and settlement (5.1.3) are charged without turnover tax.~~

~~5~~6.1.~~1~~ Clearing Fees

For the clearing of FSE transactions and of Xetra®-OTC transactions performed by Eurex Clearing AG, the following fees shall apply:

Xetra®~~34~~		**Floor Trading and Xetra®-OTC Trades**
Fee per ~~Executed~~ Order	**Fee in EUR based on the Nominal Value:**	**Fee per Transaction:**
EUR 0.50	0.0015%	EUR 0.50

The fees for Xetra® transactions apply only once per order including all same-day (partial-) executions of an order on the electronic trading system Xetra®. Therefore, the fees are independent of the number of same-day partial executions possibly resulting from the execution of the Xetra® order and independent of the number of the respective different execution prices. Including the value-based fees of 0.0015 %, a maximum fee of EUR 6.20 shall be charged per all same-day (partial) executions~~ed~~ of a Xetra® orders. Thus, this maximum limit applies to Xetra® orders from a value of EUR 380,000.00.

For floor trading transactions, the Clearing fee amounts to EUR 0.50 per executed transaction (~~closing~~ ontract note).

For Xetra® OTC transactions, the Clearing fee amounts to EUR 0.50 per executed transaction.

~~For Xetra® transactions a maximum fee of EUR 6.20 shall be charged per executed order~~.

~~[3] The calculation of the clearing fees for Xetra®transactions will be performed per trading day. If a Xetra® order is executed over several trading days, the calculation of the clearing fees will be performed for each trading day.~~

~~[4] If the settlement account ort he account type of a Xetra® order is changed, the order shall be counted as multiple Xetra® transactions within the context of the calculation of the clearing fees.~~

5.1.2 ~~Clearing~~ Rebates on Clearing Fees for Xetra® Transactions within the Automated Trading Program

The ~~fixed component of~~ clearing fees per order ~~(EUR 0.50)~~ is reduced for Xetra® transactions which were generated as part of the Xetra® Automated Trading Program (ATP) according to the following rebate scheme:

Number of the executed ATP orders (per ATP participant and month)	~~Marginal~~ Rebate	
0 – 6,500	0%	**à** for the first 6,500 orders
6,501 – 25,000	7%	**à** for the next 18,500 orders
25,001 – 50,000	14%	**à** for the next 25,000 orders
50,001 – 75,000	21%	**à** for the next 25,000 orders
75,001 – 100,000	28%	**à** for the next 25,000 orders
100,001 – 150,000	35%	**à** for the next 50,000 orders
150,001 – 225,000	42%	**à** for the next 75,000 orders
225,001 - ∞	49%	**à** for additional orders

~~5~~6.~~1.3~~2 Settlement Fees

For the settlement of FSE transactions and ~~of~~ Xetra®-OTC transactions that have been cleared via Eurex Clearing AG the following fees shall apply considering ~~if necessary~~ an effected set-off (netting) of the transaction per settlement instruction[5]:

per securities transfer	EUR 0.125
plus cash transfer	EUR 0.30

The Clearing participant may determine the transaction to be used for netting by specifying those transactions that are not supposed to be netted with other transactions. If, for example, the transactions of a

[5] The netting to settlement instructions relevant in this connection is independent of the netting procedure described in the Clearing Conditions for FWB transactions; ~~For~~ for the settlement of ~~Xetra®, Xetra®-OTC and floor trading~~ transactions of subscription rights, no fees are charged.

Clearing participant and his clients are summarized to one netting block, the result is one single settlement instruction[6] and, thus, a settlement fee of EUR 0.425 in total is charged for all summarized transactions.

~~6~~7. Transaction Fees Irish Stock Exchange (ISE)

For transactions pursuant to Chapter I number 5.2 of the Clearing Conditions in connection with transactions concluded at the Irish Stock Exchange (ISE) in securities and rights (ISE transactions) pursuant to Chapter VI of the Clearing Conditions, Eurex Clearing AG levies fees for the regulation and the Clearing of ISE transactions carried out by it ("Clearing Fees") including clearing services (corporate actions, position management etc.) carried out by CrestCo Ltd. (Crest) of ISE transactions ("Crest Clearing Fees")[7].

~~Transaction fees and service fees pursuant to Number 6.1 shall be charged without turnover tax.~~

[….]

[6] In case the settlement instruction exceeds a specified maximum size (shaping factor), several settlement instructions according to the shaping factor shall be created.

[7] ISE transactions are not included in the Gross Delivery Facility of Eurex Clearing AG.