clear to trade

eurex clearing *circular 071/09*

Date: Frankfurt, November 27, 2009
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
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Open / Open-Variable Repos: Partial Closing

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Content may be most important for:	**Attachments:**
➲ Front Office/Trading ➲ Middle + Backoffice	none

Summary:

With this circular Eurex Clearing would like to inform you that Eurex Repo will introduce the possibility to partially close open or open-variable repos with the Eurex Repo mandatory Release 10.2.7 as of **November 30, 2009**.

The new service will have no impact on the CCP processing.

As of November 30, 2009, it will be possible in the Eurex Repo trading system to close an active open or open-variable repo for a reduced amount / size, while automatically a new repo will be created for the remaining amount, with a purchase date that is equal to the repurchase date of the original repo (T+2).

In the CCP system this processing leads to the complete closing of the original repo effective on T+2, and the receipt of a new open / open-variable repo from the trading system.

Please consider within your back-office processing the creation of new open / open-variable repo transactions based on partial closing in the trading system.

Kindly forward this product announcement to all involved departments in your company.

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

Open / Open-Variable Repos: Partial Closing

As of November 30, 2009, Eurex Repo will offer partial closing for open and open-variable repos. The new service will have no impact on the CCP processing.

Please consider within your back-office processing the creation of new open / open-variable repo transactions based on partial closing in the trading system.

An open repo is defined as a repo trade with an agreed repo rate and with a determined purchase date (front leg) and an open repurchase date (term leg). The repurchase date of a pending transaction is indicated in the CCP with the placeholder settlement date 31.12.2099. The duration of the open repo is determined by a closing request which will always become effective two business days later (T+2), at the latest one year after the purchase date.

An open-variable repo is defined the same, but linked to the reference rate EONIA instead of the individual repo rate.

Today, the closing of an open and open-variable repo in the trading system is only possible for the full quantity.

In future it will be possible in the trading system to close a repo for a part of the pending trade quantity. For further details please refer to the Eurex Repo functional information regarding the production upgrade on November 30, 2009, published on November 16, 2009.

From the trading system the CCP system will receive a closing request referring to the complete pending trade quantity, as well as a new repo with separate trade IDs and without any reference to the original repo.

Once the closing request is processed in the CCP system, the repo transaction will be updated for settlement on T+2, according to the existing processing steps. As usual in the case of closing open / open-variable repos, the placeholder settlement date 31.12.2099 of the term legs is replaced by the actual settlement date, i.e. the closing day. The final payable amount and repo rate amount are calculated within the CCP Open Repo Fixing processing and indicated in the CCP system, in the trading system, as well as in the relevant reports.

The newly created repo transaction will become part of the general CCP processing for open / open-variable repos. According to the purchase date of the repo, which will be equal to the closing date of the original transaction as delivered by Eurex Repo, the front legs will be settled on T+2. The repurchase date of the new term leg trades will be set to the placeholder settlement date 31.12.2099, until next closing.

For inquiries about trading the new product, the Eurex Repo Functional Helpdesk will be available on tel. +41-588-54 24 24. For inquiries regarding CCP, please call the CCP Functional Helpdesk on tel. +49-69-211-1 19 40.

Frankfurt, November 27, 2009