



e u r e x circular 047/05

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Recipients: All Eurex members and vendors
Authorized by: Peter Reitz



Modifications to the Conditions for Trading at Eurex Deutschland and Eurex Zürich in Section 1.2. and 2.2. as well as the Restructuring of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Contact: Julius Seiffert: Tel. +49-69-211-1 51 89, e-mail: Julius.seiffert@deutsche-boerse.com

Content may be most important for:

- Middle + Back Office
- Auditing / Security Coordination

Attachments:

Revised sections of

1. Conditions for Trading at Eurex Deutschland and Eurex Zürich
2. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (the English version will be published in due course on the Eurex website)

In their session on March 8, 2005 the Management Boards of the Eurex Exchanges decided to change the Conditions for Trading at Eurex Deutschland and Eurex Zürich according to the wording of the enclosed revised sections. Subject to approval of the Exchange Council of Eurex Deutschland and the Administrative Council of Eurex Zürich the changes will become effective as of **April 1, 2005**.

At the same time the changes to the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich as decided by the Management Boards of the Eurex Exchanges will become effective. The restructuring of the Contract Specifications includes primarily a summary of the Futures and Options Contracts in the product group levels of money market, fixed income, equity index, EXTF products and stock options or Low Exercise Price Options (LEPOs).

The changes are basically editorial and structural ones and are aimed, above all, at improving transparency of the contents.



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1 Part: General Provisions

1.1 Scope of Application

The following Conditions shall govern all transactions on Eurex Deutschland and Eurex Zürich, hereafter referred to as the Eurex Exchanges.

1.2 Exchange Days

The exchange days on the Eurex Exchanges shall generally be the days determined by the Boards of Management of the Eurex Exchanges. The trading days for the respective products shall generally be identical with the exchange days unless the Boards of Management of the Eurex Exchanges implement any deviating rules for the respective products. The trading hours for the respective products shall be determined by the Boards of Management of the Eurex Exchanges.

(...)

2 Part: General Trading Rules

2.1 Tradable Contracts

The Boards of Management of the Eurex Exchanges shall designate the contracts to be traded on the Eurex Exchanges and decide upon changes thereto or cancellation thereof.

2.2 Consummation of Transactions

- (1) Transactions on the Eurex Exchanges may only be effected between Eurex Clearing AG and a credit institution holding a Clearing License. If an Exchange Participant is not itself authorized to participate in the clearing procedure (a "Non-Clearing Member"), it may only effect transactions through the General Clearing Member that performs the clearing of its transactions on the Eurex Exchanges.
 - (2) If an order or quote entered into the EDP system of the Eurex Exchanges by a Non-Clearing Member is matched with another order or quote, a transaction is effected between such Non-Clearing Member and the General Clearing Member or the affiliated Direct Clearing Member, and a corresponding transaction is simultaneously effected between such General Clearing Member or the affiliated Direct Clearing Member and Eurex Clearing AG.
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- (3) An Exchange Participant may not enter into any transaction with any third party involving contracts traded on the Eurex Exchanges unless such Exchange Participant enters into a transaction on the Eurex Exchanges on the same terms and conditions (a cover transaction); this rule shall not apply if arrangements to the contrary have been explicitly agreed upon with the third party involved.
- (4) As soon as an order or quote entered into the EDP system of the Eurex Exchanges and another order or quote may be executed with one another during the Trading Period, such orders or quotes will automatically be allocated to and matched with one another ("Matching"); the EDP system of the Eurex Exchanges generally ranks the orders or quotes, as the case may be, according to their price. The highest bid price (Nachfragepreis) and the lowest ask price (Angebotspreis) are ranked first. If prices are identical, the chronological order of entry is determinative. Market orders will at all times be executed before all other types of orders or quotes.

The details relating to the matching of orders and quotes are set forth in the rules in subsections 3.2 through 3.5.

- (5) In deviation from the priority accorded on the basis of price and time described in paragraph (4), the matching of Money Market Futures Contracts ~~those products specifically designated for this purpose in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich~~ will take place on the basis of the Pro Rata Matching Principle. Under the Pro Rata Matching Principle, priority is accorded solely on the basis of price. All orders and quotes being entered into the EDP system of the Eurex Exchanges that may be executed with orders and quotes contained in the order book will be automatically allocated to them and matched.

If the total order volume of best price orders and quotes contained in the order book exceeds the volume of an incoming order or quote, the orders and quotes contained in the order book will, after rounding down to form a whole contract, first be allocated to and matched with the incoming order and quote on the basis of the percentage share they represent of the total order volume available in the EDP system of the Eurex Exchanges at such price. To the extent that the incoming order could not be fully allocated and executed on this basis, the portion thereof that could not be executed will be randomly allocated to and matched with the orders and quotes contained in the order book.

If the total order volume of best price orders and quotes contained in the order book does not exceed the volume of the incoming order or quote, the best price orders and quotes contained in the order book will be fully allocated and executed. That portion of the incoming order or quote which could not be executed will be matched according to the Pro Rata Matching Principle.

- (6) The Eurex Exchanges shall immediately notify an Exchange Participant through the EDP system of the matching of its orders or quotes. This notification shall include all material details of the transaction.
- (7) Subsequent to the matching process, the EDP system of the Eurex Exchanges shall update the position accounts of the Exchange Participants.

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3.7 ~~Orders and Quotes with respect to Delta Neutral Products~~

- ~~(1) Orders or quotes for Delta Neutral Products are orders or quotes to buy a specific number of options contracts and to sell simultaneously a number of futures contracts derived from the delta of the options contract at the price of the futures contract determined by the Eurex Exchanges. The futures contract and the options contract will at all times relate to the same underlying or the futures contract will be the underlying of the options contract. The Boards of Management of the Eurex Exchanges determine the combinations of futures and options, which may be traded as Delta Neutral Product and which a Delta Neutral Product consists of, as well as a price spread of the futures contract, the exceeding of which will result in a price adjustment of the futures contract.~~
- ~~(2) Orders or quotes for Delta Neutral Products can only be executed against orders or quotes for the same Delta Neutral Products. An execution of orders or quotes with respect to Delta Neutral Products against orders or quotes with respect to other Delta Neutral Products is not possible.~~

~~The following types of orders with respect to Delta Neutral Products are admissible:~~

- ~~a. Market orders,~~
- ~~b. Limit Orders.~~

- ~~(3) Orders or quotes for Delta Neutral Products may only be entered or changed during the Trading Period. All orders or quotes with respect to Delta Neutral Products shall, prior to each price adjustment of the futures contract and after the end of the Trading Period, be deleted.~~

3.87 Orders and Quotes in Options Strategies and Options Volatility Strategies

- (1) Orders or quotes in options strategies consist of a fixed number of individual orders entered at the same time, respectively quotes with regard to the purchase and/or sale of a certain number of contracts of the same basis value which, however, may differ regarding maturity, exercise price, and type (Call/Put), whereby the execution of the purchase and/or sales orders, respectively of the quotes depends on one another. Subsection 3.4 paragraph 1 sentence 2 through 5 shall apply accordingly.

The input of orders or quotes in options strategies, for which a Strategy Orderbook is kept in the EDP system shall be executed against orders and quotes in the respective Options Strategy Orderbook and not against orders and quotes in the regular orderbooks, which are based on the appropriate options strategy.

Orders or quotes in options strategies are exclusively kept in the respective Options Strategy Orderbook and exclusively executed against orders and quotes in the Options Strategy Orderbook. At the end of the Post Trading Period of each Exchange Day order and quotes shall automatically be deleted in the Options Strateg Orderbook.

Orders or quotes in options volatility strategies consist of a futures contract and one, two or three orders entered at the same time, respectively quotes with regard to the purchase and/or sale of a certain number of contracts of options contracts that correspond with this futures contract of the

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same basis value which, however, may differ regarding maturity, exercise price and type (Call/Put), whereby the execution of the purchases and/or sales orders, respectively of the quotes depends on one another. In other respects the regulations of paragraph 1 apply mutatis mutandis.

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