

# Clearing Conditions

## 2 Part - Settlement of Transactions

### 2.2 Subpart

Settlement of Options Contracts

#### 2.2.11 Sub-Subpart

Settlement of Options Contracts on Futures Contracts on a Notional Long-Term Debt Security of the Federal Republic of Germany (Options on a Euro Bund Futures)

##### 2.2.11.1 General Provisions

The settlement of options contracts on Euro Bund Futures up to the point of assignment of the exercised options shall be governed by the provisions for the settlement of options contracts as specified in the following rules; upon the opening of the futures position, the provisions for the settlement of futures contracts shall apply.

##### 2.2.11.2 Option Premiums

The balance of the option premiums ("Net Premium") to be paid by the Clearing Members pursuant to subsection 2.2.11.4 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable, over the duration of the existence of the options position, by the time specified by Eurex Clearing AG on the following Exchange day on the basis of the daily settlement determined in accordance with subsection 2.2.11.3 below, the first such payment being due on the Exchange day following the conclusion of the transaction.

Up to the conversion of the contract from ECU into Euro pursuant to subsection 2.2.11.13 of the Conditions for Trading at the Eurex Exchanges the following shall apply to the procedures for payment pursuant to paragraph (1): All payments shall be made directly between the Clearing Members through Deutsche Börse Clearing AG on the second Exchange day following the final settlement day. All Clearing Members must ensure their ability to effect payments on the value date by having sufficient credit balances in the Clearing Institution's account with Deutsche Börse Clearing AG. Payments on such account shall be made until 10:00 a.m. on the value date on the ECU account of Deutsche Börse Clearing AG with Deutsche Bank AG. Payments on such account shall be advised by S.W.I.F.T. or by telefax vis-à-vis Deutsche Börse Clearing AG one day prior to the value date.

##### 2.2.11.3 Daily Settlement Prior to Exercise

1. For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be debited or credited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and on the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price of the contract for such Exchange day.
2. The daily settlement price of an option series is the price of the last transaction entered into in such option series during the final 15 minutes of an Exchange day. If no transactions are entered into in such option series during such period, or if the price so determined does not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price.
3. Paragraph (1) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and the Non-Clearing Members represented by them mutatis mutandis.

##### 2.2.11.4 Margin Requirement Prior to Exercise

1. The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:
2. For all option series, a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favorable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

#### **2.2.11.5 Procedures for Exercise of Options**

1. On behalf of an Exchange Participant that exercises a call option, Eurex Clearing AG shall, subsequent to the Post-Trading Period on the exercise day, open a corresponding long position in the underlying Euro Bund Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.
2. On behalf of an Exchange Participant to which the exercise of a call option is assigned, Eurex Clearing AG shall open a corresponding short position in the underlying Euro Bund Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.
3. On behalf of an Exchange Participant that exercises a put option, Eurex Clearing AG shall, subsequent to the Post-Trading Period on the exercise day of such option, open a corresponding short position in the underlying Euro Bund Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.
4. On behalf of an Exchange Participant to which the exercise of a put option is assigned, Eurex Clearing AG shall open a corresponding long position in the underlying Euro Bund Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.

#### **2.2.11.6 Futures Position**

1. Unless otherwise provided below, the provisions of subsections 2.1.12.1 through 2.1.12.5 shall apply for the futures position opened in accordance with subsection 2.2.11.5.
2. Notwithstanding subsection 2.1.12.2 paragraph (1) sentence 3, the following shall apply: The difference between the exercise price of the exercised and assigned option and the daily settlement price of the underlying futures contract on the exercise day shall be settled in cash. The amount of such cash settlement shall be credited to or debited from the internal cash clearing account of the Clearing Member.

#### **2.2.12 Sub-Subpart**

Settlement of Options Contracts on Futures Contracts on a Notional Medium-Term Debt Security of the Federal Republic of Germany or the Treuhandanstalt (Options on a Euro BOBL Futures)

##### **2.2.12.1 General Provisions**

The settlement of options contracts on Euro Bobl Futures up to the point of assignment of the exercised options shall be governed by the provisions for the settlement of options contracts as specified in the following rules; upon the opening of the futures position, the provisions for the settlement of futures contracts shall apply.

##### **2.2.12.2 Option Premiums**

The balance of the option premiums (Net Premium) to be paid by the Clearing Members pursuant to subsection 2.2.12.4 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable, over the duration of the existence of the options position, by the time specified by Eurex Clearing AG on the following Exchange day on the basis of the daily settlement determined in accordance with subsection 2.2.12.3 below, the first such payment being due on the Exchange day following the conclusion of the transaction.

Up to the conversion of the contract from ECU into Euro pursuant to subsection 2.2.12.13 of the Conditions for Trading at the Eurex Exchanges the following shall apply to the procedures for payment pursuant to paragraph (1): All payments shall be made directly between the Clearing Members through Deutsche Börse Clearing AG on the second Exchange day following the final settlement day. All Clearing Members must ensure their ability to effect payments on the value date by having sufficient credit balances in the Clearing Institution's account with Deutsche Börse Clearing AG. Payments on such account shall be made until 10:00 a.m. on the value date on the ECU account of Deutsche Börse Clearing AG with Deutsche Bank AG. Payments on such account shall be advised by S.W.I.F.T. or by telefax vis-à-vis Deutsche Börse Clearing AG one day prior to the value date.

### **2.2.12.3 Daily Settlement Prior to Exercise**

1. For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be debited or credited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and on the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price of the contract for such Exchange day.
2. The daily settlement price of an options series is the price of the last transaction entered into in such options series during the final 15 minutes of an Exchange day. If no transactions are entered into in such options series during such period, or if the price so determined does not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price.
3. Paragraph (1) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and the Non-Clearing Members represented by them *mutatis mutandis*.

### **2.2.12.4 Margin Requirement Prior to Exercise**

1. The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:
2. For all options series, a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favorable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

### **2.2.12.5 Procedures for Exercise of Options**

1. On behalf of an Exchange Participant that exercises a call option, Eurex Clearing AG shall, subsequent to the Post-Trading Period on the exercise day of the respective option, open a corresponding long position in the underlying Euro Bobl Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply *mutatis mutandis*.
2. On behalf of an Exchange Participant to which the exercise of a call option is assigned, Eurex Clearing AG shall open a corresponding short position in the underlying Euro Bobl Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply *mutatis mutandis*.
3. On behalf of an Exchange Participant that exercises a put option, Eurex Clearing AG shall, subsequent to the Post-Trading Period on the exercise day of such option, open a corresponding short position in the underlying Euro Bobl Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply *mutatis mutandis*.
4. On behalf of an Exchange Participant to which the exercise of a put option is assigned, Eurex Clearing AG shall open a corresponding long position in the underlying Euro Bobl Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply *mutatis mutandis*.

### **2.2.12.6 Futures Position**

1. Unless otherwise provided below, the provisions of subsections 2.1.13.1 through 2.1.13.5 shall apply for the futures position opened in accordance with subsection 2.2.12.5.
2. Notwithstanding subsection 2.1.13.2 paragraph (1) sentence 3, the following shall apply:  
The difference between the exercise price of the exercised and assigned option and the daily settlement price of the underlying futures contract on the exercise day shall be settled in cash. The amount of such cash settlement shall be credited to or debited from the internal cash clearing account of the Clearing Member.

### **2.2.13 Sub-Subpart**

Settlement of Options Contracts on Futures Contracts on a Notional Short-Term Debt Security of the Federal Republic of Germany or the Treuhandanstalt (Options on a Euro SCHATZ Futures)

#### **2.2.13.1 General Provisions**

The settlement of options contracts on Euro Schatz Futures up to the point of assignment of the exercised options shall be governed by the provisions for the settlement of options contracts as specified in the following rules; upon the opening of the futures position, the provisions for the settlement of futures contracts shall apply.

#### **2.2.13.2 Option Premiums**

The balance of the option premiums (Net Premium) to be paid by the Clearing Members pursuant to subsection 2.2.13.4 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable, over the duration of the existence of the options position, by the time specified by Eurex Clearing AG on the following Exchange day on the basis of the daily settlement determined in accordance with subsection 2.2.13.3 below, the first such payment being due on the Exchange day following the conclusion of the transaction.

Up to the conversion of the contract from ECU into Euro pursuant to subsection 2.2.13.13 of the Conditions for Trading at the Eurex Exchanges the following shall apply to the procedures for payment pursuant to paragraph (1): All payments shall be made directly between the Clearing Members through Deutsche Börse Clearing AG on the second Exchange day following the final settlement day. All Clearing Members must ensure their ability to effect payments on the value date by having sufficient credit balances in the Clearing Institution's account with Deutsche Börse Clearing AG. Payments on such account shall be made until 10:00 a.m. on the value date on the ECU account of Deutsche Börse Clearing AG with Deutsche Bank AG. Payments on such account shall be advised by S.W.I.F.T. or by telefax vis-à-vis Deutsche Börse Clearing AG one day prior to the value date.

#### **2.2.13.3 Daily Settlement Prior to Exercise**

1. For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be debited or credited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and on the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price of the contract for such Exchange day.
2. The daily settlement price of an options series is the price of the last transaction entered into in such options series during the final 15 minutes of an Exchange day. If no transactions are entered into in such options series during such period, or if the price so determined does not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price.
3. Paragraph (1) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and the Non-Clearing Members represented by them mutatis mutandis.

#### **2.2.13.4 Margin Requirement Prior to Exercise**

1. The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:
2. For all options series, a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favorable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

#### **2.2.13.5 Procedures for Exercise of Options**

1. On behalf of an Exchange Participant that exercises a call option, Eurex Clearing AG shall, subsequent to the Post-Trading Period on the exercise day of the respective option, open a corresponding long position in the underlying Euro Schatz Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.
2. On behalf of an Exchange Participant to which the exercise of a call option is assigned, Eurex Clearing AG shall open a corresponding short position in the underlying Euro Schatz Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.
3. On behalf of an Exchange Participant that exercises a put option, Eurex Clearing AG shall, subsequent to the Post-Trading Period on the exercise day of such option, open a corresponding short position in the underlying Euro Schatz Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.
4. On behalf of an Exchange Participant to which the exercise of a put option is assigned, Eurex Clearing AG shall open a corresponding long position in the underlying Euro Schatz Futures contract with the stipulated exercise price. If the Exchange Participant is not a Clearing Member, subsection 1.2.1 paragraph (2) shall apply mutatis mutandis.

#### **2.2.13.6 Futures Position**

1. Unless otherwise provided below, the provisions of subsections 2.1.14.1 through 2.1.14.5 shall apply for the futures position opened in accordance with subsection 2.2.13.5.
2. Notwithstanding subsection 2.1.14.2 paragraph (1) sentence 3, the following shall apply: The difference between the exercise price of the exercised and assigned option and the daily settlement price of the underlying futures contract on the exercise day shall be settled in cash. The amount of such cash settlement shall be credited to or debited from the internal cash clearing account of the Clearing Member.