



The Clearing Corporation / Eurex

Global Clearing Link for EU Products – Participant Activity Checklist

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In connection with the Global Clearing Link for European products which will allow clearing participants of The Clearing Corporation to clear certain Euro-denominated products traded on Eurex trading terminals, Eurex Clearing AG will act solely as a facilitator for The Clearing Corporation by providing the system and settlement infrastructure to clear the aforementioned products.

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IMPLEMENTATION OF THE GLOBAL CLEARING LINK DESCRIBED IN THIS PUBLICATION IS SUBJECT TO RECEIPT OF ALL REQUIRED REGULATORY APPROVALS. THEREFORE, THE CONCEPTS AND OTHER INFORMATION PRESENTED HEREIN ARE SUBJECT TO CHANGE.

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1 Introduction

The Clearing Corporation and Eurex Clearing AG ('Eurex Clearing') are in the process of creating a 'Global Clearing Link' ('GCL') to offer customers enhanced worldwide clearing possibilities.

When fully implemented, the Global Clearing Link will give customers the choice of clearing through Eurex Clearing or The Clearing Corporation for US Dollar-denominated ('US') and specific EUR-denominated products traded on Eurex¹ and/or on Eurex US².

This document will give you an overview of the steps we recommend you to take in order to participate in the Global Clearing Link for EU Products, giving clearing participants of The Clearing Corporation access to clear US products listed at Eurex US as well as specific EUR-denominated products listed at Eurex.

These steps relate to the functional setup, the technical setup, and simulation possibilities. A detailed checklist with all actions necessary prior to production readiness can be found in Chapter 2 of this document.

In Chapter 3, 'Accompanying Documentation', you will find a list of the most important documents that will be published in connection with the introduction of the GCL for EU Products. Finally, all relevant contact numbers and e-mail addresses are provided in Chapter 4 of this document.

¹ Specific EUR-denominated products traded on Eurex¹ as defined for this document, should mean those EUR-denominated products permitted to be traded on Eurex trading terminals in the U.S. pursuant to CFTC staff no-action letter.

² Cross-Listing is applicable for certain of the EU products permitted to be traded on Eurex trading terminals in the U.S. pursuant to a CFTC staff no action letter.

2 Recommended Activities and Checklist

The following list with recommended 'checkpoints' should be used as a guideline to ensure you an easy access to the GCL for EU Products. Please be aware that the relevance of the activities recommended below may vary according to your individual organizational, technical and legal setup.

The column 'Focus/Activity' describes the activity using a short keyword. A more detailed description is shown in the column 'Description'.

For your convenience we inserted a column 'Open/Done' into the checklist where you can mark the tasks you have successfully finished or identify activities which are obsolete for you.

2.1 Functional Setup

In preparation for a successful participation in the GCL for EU Products please discuss the functional setup alternatives with The Clearing Corporation Client Services and Support Team or the Eurex Customer Support Team.

To initialize the functional setup process The Clearing Corporation participants applying for a participation in clearing at Eurex have to prove

- A EUR cash account of a Correspondent Bank at the State Central Bank. The State Central Bank will be instructed to honor all debit instructions received from Eurex Clearing AG arising from the clearing processes and to honor any debit submitted by Eurex Clearing AG against this account.

For details please contact your Eurex Customer Support Team for assistance (phone: +49- 69- 211- 1 89 00)

- A settlement account of a Correspondent Bank at Clearstream Banking. The Clearstream Banking AG will be instructed to honor all delivery obligations resulting from the Eurex Clearing AG process in accordance with instructions from Eurex Clearing AG.

For details please contact your Eurex Customer Support Team for assistance (phone: +49- 69- 211- 1 89 00).

Please note that The Clearing Corporation is designing an optional service to eliminate a Clearing Participant's need to open its own bank account and Clearstream account by using a Clearing Corporation account. Details of this optional service will be provided when available.

In addition, the following table lists the necessary forms you are asked to send back in conjunction with the functional setup.

Table 1 – Main documents for Functional Setup

Focus / Activity	Description	Open/Done
GCL-Declaration of Intent	Declaration of Intent to participate in the GCL for EU Products.	<input type="checkbox"/>
Direct Debit Order for State Central Bank (Correspondent Bank)	Direct Debit Order in Favor of Eurex Clearing AG. Form has to be completed and signed by the account holder. Form has to be completed and signed by the account holder.	<input type="checkbox"/>
Power of Attorney for Clearstream Banking AG	Appointing Eurex Clearing AG to be the attorney for Clearstream Banking AG. Form has to be completed and signed by the account holder.	<input type="checkbox"/>
Direct Debit Order for Clearstream Banking AG (Correspondent Bank)	Direct Debit Order in Favor of Eurex Clearing AG. Form has to be completed and signed by the account holder.	<input type="checkbox"/>

Please return all forms and documents to your Clearing Corporation Client Services and Support Team.

2.2 Technical Setup

Future participants should analyze whether changes to their hardware configuration, software and connection must be made. In case adaptations have to be taken into consideration, a detailed determination should follow as soon as possible in order to facilitate a timely participation.

The following installation types are possible³:

- Eurex only installation connected via bandwidth made up of two leased lines or via one leased line with an Internet backup.
- Multi-market installation for Eurex and Eurex US connected via bandwidth made up of two leased lines or one leased line with an Internet backup.

³ The time for delivery of new ordered leased lines depend on the location of the participant (normal processing between 6 & 12 weeks from the order of the leased lines).

Please note:

- A single connection via Internet to the Eurex system is not permitted for participants with a clearing status
- The connection via a Multi-Member MISS provider is only possible as separate backup solution
- Single line connections are possible for simulation but not for production

A detailed description of the connection alternatives for the GCL for EU Products is available in the document 'Technical Connection Guide' as listed in Chapter 3.

Table 2 – Main documents for Technical Setup

Focus / Activity	Description	Open/Done
GCL-Connection Order Form	Order form for new lines.	<input type="checkbox"/>
GCL- Access Order Form-existing lines	Application form for usage of existing line infrastructure.	<input type="checkbox"/>
GCL-Data Streams Receipt Authorization	Authorization form to receive data streams for the purpose of further processing.	<input type="checkbox"/>
System Configuration Questionnaire	Information regarding the system infrastructure and configuration (Diagram of technical equipment).	<input type="checkbox"/>
Multi-Member MISS User Setup Application GCL	Application form for the setup of MM-MISS users to confirm the MM-MISS provider	<input type="checkbox"/>
Multi-Member MISS Provider Confirmation	Confirmation of Multi-Member MISS provider that connection will be provided.	<input type="checkbox"/>
User ID Form	Application form for Setup/Modification/Deletion of User IDs	<input type="checkbox"/>

Please return all forms and documents to your Clearing Corporation Client Services and Support Team.

2.3 Simulation

The supported simulation phase runs until May 24, 2004. The following permanent simulation phase will last approximately until end of June. The simulation focuses on all clearing processes while participants will be given the opportunity to concentrate on their specific business needs.

For a comprehensive simulation, we recommend the simulation of the following functionalities:

- Trade Management
- Give-up/ Take-up Transfers
- Position Management
- Cash Management and Settlement
- Delivery management
- Margining and Risk Management

Table 3 –Technical Connection Test and Simulation

Focus / Activity	Description	Open/Done
Designate Single Point Of Contact (SPOC) and register for simulation	Nomination of a central contact person for all relevant simulation issues and register for simulation by using the Simulation Registration and Data Sheet for Eurex Trading Member or The Clearing Corporation Participant.	<input type="checkbox"/>
Define internal simulation processes	<ul style="list-style-type: none"> • Confirmation of future work flows. • Confirmation of future organizational structure. • Planning of the tests during simulation. 	<input type="checkbox"/>
Participate in simulation	<ul style="list-style-type: none"> • Participation of technical personnel. • Participation of functional personnel. 	<input type="checkbox"/>
Execute production connection test	Test connectivity to production environment.	<input type="checkbox"/>
Inform The Clearing Corporation or Eurex Functional or Technical Helpdesk about any problems during the simulation phase	In case of any questions please contact the The Clearing Corporation or Eurex Functional or Technical Helpdesk.	

2.4 Training

Eurex offers a variety of training courses to familiarize yourself with all clearing-specific functions.

For participants without any Eurex Clearing system experience a training course ending with a test is mandatory.

The training dates and course descriptions will be published on the Internet (<http://www.eurexchange.com> and <http://www.clearingcorp.com>) and via e-mail circulars in due time. Please contact the Eurex Customer Support Team regarding individual training sessions.

Table 4 – Activities regarding Training

Focus / Activity	Description	Open/Done
Evaluate training requirements	<ul style="list-style-type: none"> • Identify staff affected by the introduction of GCL for EU Products • Which training requirements result from the new functionalities 	<input type="checkbox"/>
Register for training sessions	Send registration sheets to Eurex Customer Support Team	<input type="checkbox"/>
Participate in training sessions	The exact dates and all relevant information will be announced timely via e-mail circulars	<input type="checkbox"/>

3 Accompanying Documentation

Each document published in connection with the introduction of the Global Clearing link will be published on the Internet (<http://www.clearingcorp.com> , <http://www.eurexexchange.com>, <http://www.eurexus.com>). Our joint Information Management Team will announce and dispatch each publication via email circular and direct you to where you can download the information.

All functional and technical participant documents will be issued exclusively in English.

The documents and dates will be available in the member section of the respective Internet pages (<http://www.clearingcorp.com> , <http://www.eurexexchange.com>, <http://www.eurexus.com>).

Please find below an excerpt from the documents, which will be distributed prior to the introduction of the Global Clearing Link for EU Products.

GCL Conceptual Overview

Contents: Description of overall Global Clearing Link concept.

Target Groups: Project Coordinators

EU Link Functional Overview and Processes

Contents: Detailed information concerning the GCL for EU Products.

Target Groups: Project Coordinators, System Administrators, Back Office

EU Link Functional Setup Forms

Contents: Collection of forms to prepare the functional setup for GCL for EU Products.

Target Groups: Project Coordinators, Legal Affairs

EU Link Technical Setup Forms

Contents: Collection of forms to prepare the technical setup for GCL for EU Products.

Target Groups: Project Coordinators, System Administrators

Eurex Clearing Conditions

Contents: Description of legal framework.

Target Groups: Project Coordinators, System Administrators, Back Office

Rules & Regulations The Clearing Corporation

Contents: Description of legal framework.

Target Groups: Project Coordinators, System Administrators, Back Office

Eurex Technical Connection Guide

Contents: Description of the technical connection alternatives.

Target Groups: Project Coordinators, System Administrators

Clearing Corp. Report Description

Contents: Description of the various reports.

Target Groups: Project Coordinators, System Administrators, Back Office

EU Link Member Simulation Guide

Contents: Information about simulation in connection with the introduction of the GCL for E U Products.

Target Groups: Project Coordinators, Trading Contacts, System Administrators, Back Office

4 Customer Support Contacts

Throughout your functional and technical setup process, our Customer Support Teams will be available to you for any questions you may have regarding legal, organizational and/or technical aspects of the Global Clearing Link for EU Products. Please do not hesitate to give us a call or write us an e-mail. We are looking forward to hearing from you!

The Clearing Corporation:

Client Services and Support Team

Telephone: +1 – 312 – 786 – 5718

Fax: +1 – 312 – 786 – 0152

Availability: 7:00 a.m. – 4:00 p.m. CST⁴
(2:00 p.m. – 11:00 p.m. CET)

eMail: css@clearingcorp.com

Internet pages: www.clearingcorp.com

Eurex:

Customer Support Team

Telephone: +49 – 69 – 211 – 1 89 00

Fax: +49 – 69 – 211 – 1 89 10

Availability: 2:00 a.m. – 5:00 p.m. CST
(9:00 a.m. – 00:00 a.m. CET)

eMail: gcl.info@eurexchange.com

Internet pages: www.eurexchange.com

⁴ In summer: CDT – Central Daylight Time