Clearing Conditions for Eurex Clearing AG

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Chapter II
Transactions at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

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Part 2
Clearing of Futures Contracts

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2.12 Clearing of Property Index Futures Contracts

The following numbers shall rule the clearing of transactions of Property Index Futures contracts named in Number 1.11 of the Contract Specifications for Futures contracts and Options contracts at Eurex Deutschland and Eurex Zürich.

2.12.1 Procedures in Payment

All payments shall be made directly between the Clearing Members through their accounts at a branch of the German Federal Bank (Deutsche Bundesbank), on the Exchange day following the final settlement day (Number 1.11.4 of the Contract Specifications for Futures contracts and Options contracts at Eurex Deutschland and Eurex Zürich). All Clearing Members shall ensure their ability to effect payments on the due date thereof by having sufficient credit balances in their account at a branch of the German Federal Bank (Deutsche Bundesbank), or in the account at a branch of the German Federal Bank (Deutsche Bundesbank) of the correspondent bank which has been instructed by the Clearing Member to handle the clearing of the contract.

2.12.2 Final Settlement Price

The final settlement price of the Property Index Futures contracts will be determined by Eurex Clearing AG (pursuant to Number 1.11.4 of the Contract Specifications for Futures contracts and Options contracts at the Eurex Deutschland and Eurex Zürich) on the final settlement day of a contract.

The final settlement price of a Property Index Futures contract shall be determined under inclusion of the index values respectively published by the index provider as at the final settlement day.

In case Eurex Clearing AG does not possess index data underlying a Property Index Futures contract or if, due to other reasons, the final settlement price on basis of the relevant index cannot be determined, Eurex Clearing AG may determine the final settlement price by means of another procedure. The value of a similar index may be used therefore. When choosing an alternative procedure, Eurex Clearing AG shall, as far as possible, take into account the similarity to the original index.

For IPD® UK Annual All Property Futures Contracts, the final settlement price shall be determined in percent; the decimal places shall commercially be rounded to the next possible interval of 0.005, or 0.01, or multiples thereof.

The final settlement price shall reflect a nominal value of 100 plus the Annual Total Return or minus a loss during the calculation period (one calendar year) of the index.

The formular is as follows:
Final Settlement Price = $100 * [TRI_t / TRI_{(t-1)}]$

TRI_t = Total Returns Index Value at the end of the Annual Index Calculation Period

$TRI_{(t-1)}$ = Total Returns Index Value at the beginning of the Annual Index Calculation Period

2.12.3 Performance, Delivery

Open positions from the last trading day shall be balanced by means of a net payment credited to or debited from the internal cash clearing account of the Clearing Member. The booking amount shall be calculated on the final settlement day (Number 1.11.4 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich). Such payment shall equal the difference between the final settlement price of such contract and its daily settlement price of the previous Exchange day, provided that the positions have already existed on the previous day. For positions opened on the last trading day, the booking amount shall equal the difference between the final settlement price and the trading price. The cash settlement pursuant to Clause 1 shall then take place on the performance date; this shall be the Exchange day following the final settlement day.

2.12.4 Default in Payment

Defaults or technical defaults shall be subject to the provisions of Chapter I Number 7.1 or Number 7.2 respectively.

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