

A gyroscope is shown in motion, with a prominent green ring and several silver rings. The background is a light blue gradient. The text is overlaid on the upper left portion of the image.

**Eurex Release 12.0 –**

*The New Standard  
in Risk Management  
and More*

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## Eurex Release 12.0 – The New Standard in Risk Management and More

**Eurex will launch its new software release, Eurex Release 12.0, on November 16, 2009. The release introduces innovative clearing and trading features and will support important strategic projects, such as the Eurex/ISE Link and the Eurex/KRX Link.<sup>1</sup>**

Users will benefit from optimized usability such as an extended Multilateral Trade Registration facility and an improved OTC Volatility Strategy Trade facility for equity options that now features an integrated cash equity leg.

With this release Eurex Clearing, the leading European clearing house, sets another milestone in risk management by providing its members real-time risk data. This service is offered through the new industry standard AMQP (“Advanced Message Queuing Protocol”) transport via Eurex’s Enhanced Risk Solution interface.

The introduction of AMQP leads to synergies because it allows to program to one accepted standard in the banking industry rather than to a variety of proprietary interfaces.

Get it all in one package: reduced complexity, improved safeguards, significant cost reduction and increased speed.

### More Global Markets at Your Fingertips

Eurex has teamed up with leading international partners to offer its members an even broader array of products. Release 12.0 introduces two new exchange links with the International Securities Exchange (ISE) and the Korea Exchange (KRX).

#### **Eurex/ISE Link**

Eurex, the International Securities Exchange (ISE), Eurex Clearing and the Options Clearing Corporation (OCC) will provide a transatlantic trading and clearing link that enables Eurex members to trade options listed at ISE through their existing Eurex memberships. Eurex members will initially gain seamless access to 430 of the most liquid options contracts via the Eurex/ISE Link. The full suite of ISE products will become available successively.

#### **Eurex/KRX Link**

The Eurex/KRX Link<sup>2</sup> will provide Eurex members with access to trading and hedging opportunities in KOSPI 200 Options, the most heavily traded options contract worldwide, and to the important Asian time zone. This offering will provide existing KRX and Eurex market participants the ability to adjust their portfolios after Korean trading hours.

### Trading Enhancements

Trading enhancements within Eurex Release 12.0 focus on further developing Eurex’s suite of over-the-counter (OTC) facilities. Eurex and Eurex Clearing are dedicated to offering OTC customers the same benefits that on-exchange customers enjoy, such as central counterparty (CCP) clearing and automated, straight-through processing.

### **OTC Vola Trade Facility with Integrated Cash Leg**

Eurex will modify the existing OTC volatility strategy offering for equity options to include an integrated cash equity leg. The rationale behind the replacement of the LEPO with a physical cash element is to offer straight-through processing for both legs of a volatility strategy, thus increasing operational efficiencies.

After an OTC volatility strategy trade for equity options has been approved, the derivative leg(s) of the volatility strategy will be available in the Eurex® system and a delivery instruction for the cash equity leg will be automatically generated and transferred in real-time to Eurex Clearing’s CCP System.

### **Multilateral Trade Registration Enhancements**

Brokers can now use the Multilateral Trade Registration (MTR) facility for a broader range of products. For OTC block trades, the MTR facility will be enhanced to also include options strategies and options volatility strategies. In addition, the facility has also been expanded to allow the entry of multiple buyers and multiple sellers in one transaction. The number of buyers plus the number of sellers must be less than or equal to 50.

### Risk Management Features – Continued Innovation

Eurex is setting the industry benchmarks for risk management – including pre-trade controls and the tools customers need to monitor and manage their post-trade activities in real-time. Already a leader in developing risk management tools to help safeguard the integrity of the global marketplace, Eurex is taking additional steps to remain at the forefront of the global risk management industry.

### **Enhanced Risk Solution**

As a further development of our risk management features introduced with Eurex Release 11.0, the new release will launch a further optional interface for risk management purposes. This new “Enhanced Risk Solution” interface is the real-time risk data distribution service that Eurex plans to introduce in March 2010.

All members will be able to listen to intra-day risk data using a new FIXML-based connection over the new industry standard AMQP (“Advanced Message Queuing Protocol”) transport.

### **Exercise/Assignment Enhancements**

An optional four-eye principle will be implemented to provide checks when users opt to:

- Exercise out-of-the-money options
- Abandon positions from automatic exercise

### Further Enhancements

Eurex Release 12.0 also introduces enhancements in other areas, like technology and user security. These upgrades further improve functionality and contribute to overall system usability.

### **Matcher Performance Improvement Concept**

In order to further reduce latency for customers, Eurex will change the way it handles messages pertaining to order book activity that are sent to members. As a result of these changes, messages relating to non-persistent orders and quotes will be faster. In addition the processing of persistent orders will no longer impact the processing time for non-persistent orders.

<sup>1</sup> Both links will go live after the initial Eurex Release 12.0 launch date. Further information will be announced in the near future.

<sup>2</sup> Not available for U.S.-based members.

## Enhanced Transaction Solution

Eurex Release 12.0 will introduce additional functionalities for the Enhanced Transaction Solution interface. These features will broaden the range of trading activities currently available via this optional interface. Additions include:

- Lifecycles for quotes similar to that of orders
- Single sided quotes
- Addition of text fields for quotes and enhanced system order ID handling
- Mass order delete functionality
- Trade reversal reporting

## Online Time and Sales Sheet

With the introduction of Eurex Release 12.0, users can view all single leg, double leg and strategy trades of the current day in the Online Time and Sales Sheet (OTSS) window. In addition, the trade volume information data layout has been improved to allow easier identification of complex synthetic matching events.

The improved trade volume information will be provided for each element of a trade. When a combination order (future spread or option strategy) is matched, there will be one broadcast for the combination and another one for each leg of the combination. The improved trade volume information will be provided via the Enhanced Broadcast Solution and VALUES API.

## New PIN Procedure for Trading-on-Behalf

In order to enhance the security of Eurex Trading-on-Behalf, Eurex Release 12.0 will introduce an optional Personal Identification Number (PIN) procedure. Trading-on-Behalf services themselves will not be affected although those users who are

permitted to request Trading-on-Behalf services may now change. In conjunction with this new feature, members can stipulate which of their registered users are permitted to request Trading-on-Behalf services.

## Additional Information

Find detailed information about Eurex Release 12.0 on [www.eurexchange.com/r12](http://www.eurexchange.com/r12) or contact your Eurex sales representative.

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*Front cover:*

*A gyroscope is a device for measuring or maintaining orientation. Because of its stability, precision and reliability under any conditions it is widely used for risk management in high tech industries.*