



Admission to the Euro Repo Market

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How to get started with Eurex Repo:

Euro Market – Trading Guideline



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1. Welcome

Thank you for your interest in the Eurex Repo Euro Market!

The following document will guide you on your way to participation on our marketplace.

Eurex Repo GmbH is a 100% subsidiary of Eurex Frankfurt AG, which is a joint-venture of Deutsche Börse AG and SIX Swiss Exchange. Furthermore, Eurex Repo is a market place under private law and not a stock exchange subject to public law.

Eurex Clearing AG is also a 100% subsidiary of Eurex Frankfurt AG and acts as central counterparty. Therefore, after the conclusion of every transaction concluded on Eurex Repo GmbH, Eurex Clearing AG steps in as central counterparty. The participant may apply for a General-Clearing or Direct-Clearing-Membership. The General Clearing Member (GCM) has the right to clear its own trades as well as the trades of its customers and Non Clearing Members (NCMs). The Direct Clearing Member (DCM) has the right to clear its own trades as well as the trades of its customers and NCMs, provided they are 100 % affiliated. For more detailed information please see our "Clearing Guideline".

The Euro Market as well as the GC Pooling[®] Market are traded via the same Graphical User Interface (GUI). This means that participants can always see all market segments, but according to the specific legal admission status, participants may only trade the appropriate market segments.

For further information, please refer to the Terms and Conditions of Eurex Repo GmbH (appendix included) and the Clearing Conditions of Eurex Clearing AG.



2. Participation in the Eurex Repo Euro Market

2.1 Application requirements

In order to participate in the Eurex Repo Euro Market it is necessary to fulfil the following legal criteria:

- § The applicant must be under the regulation of a domestic regulatory authority
- § The applicant must be subject in its country of domicile to a financial market supervisory authority and hold the status of a credit institution or an investment firm according to the definition set forth in Art. 1 Paragraph 1 and 2 and Art. 4 Paragraph 1 of the Council Directive on markets for financial instruments 2004/39/EG ("MiFID")
- § The applicant is required to participate in the Eurex Clearing repo clearing process

In specific cases where all miscellaneous technical and legal requirements are fulfilled (e.g. participation in the clearing procedure, experienced and trained traders), national banks and international organisations have the opportunity to be admitted even without having the status of a credit institution or financial institution.

2.2 Connection to the Eurex Repo trading system

The participant is essentially responsible for technical connection to the Eurex Repo trading system.

After submission of all required forms for participating in the Eurex Repo Euro Market, the participant receives a "welcome-package" from the Eurex Repo Technical Helpdesk. The "welcome-package" contains the individual logon account details for the "VPN Client download" section, the logon details for the "Member Section" on the Eurex Repo Website and also all other relevant information for the installation and configuration procedure. With a Cisco Soft- or Hardware-Client and dedicated certificates a VPN (Virtual Privat Network) connection to our Cisco Server can be established which assures the authentication of the participant and the encryption of the internet traffic.

First, after login at the "Cisco VPN download" section with the respective individual logon account details, the participant needs to download the Cisco VPN Client Software and the corresponding Cisco VPN Client Certificate. In order to gain access to the Eurex Repo "Member Section", the appropriate (Membertest / Production) Cisco VPN Client connection is required, i.e. it must be installed, configured and started. Please note the different Member Pages, one for the "Production" and one for the "Membertest" environment. Second, after login to the "Member Page", the participant has to setup the additional components for the final installation of the Eurex Repo trading system. Therefore, the JRE (Java Runtime Environment) is needed to install the GUI (GraphicalUserInterface) and/or the OTX (OwnTradeExtractor).



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For detailed information please find the received “Welcome Package” and the “Installation Guide”. All Eurex Repo trading software and certificates are free of charge and once downloaded, they can be installed on multiple workstations. The total installation time approximately takes one hour.

For any further questions please do not hesitate to call our technical helpdesk:

Technical Helpdesk

T +41 (0)58-854-2488

F +41-(0)58-854-2898

E-Mail: techhelp@eurexrepo.com

2.2.1 Hard- and software requirements

In order to run the Eurex Repo trading system participants are required to fulfil the following minimum hard- and software requirements.

- Eurex Repo Client PC and USP Proxy (Windows) – Hardware

	Client PC	USP Proxy*
Processor	Pentium IV, 1.5 GHz recommended: Intel Core 2 Duo 2.33 GHz	Pentium IV, 1.5 GHz recommended: Intel Celeron 430 1.8 GHz
Memory	512 MB (recommended 1 GB)	256 MB (recommended 512 MB)
Disk Space	200 MB	1 GB
Display	1280 x 1024 resolution 17" Monitor	No display

* Universal Service Processor (USP); Software application which increases transfer efficiency through bundling and compressing of data – and information streams.



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- Eurex Repo Client PCs – Software

Platform	Software
Windows XP SP2 - Professional	Internet Explorer V6 Java Runtime Environment 5.0 Update 7 JRE 1.5.0_07 (V9.1.4) Java Runtime Environment 6.0 Update 6 JRE 1.6.0_06 (V9.2.5 or higher)
Windows Vista Business SP1	Internet Explorer V7 Java Runtime Environment 6.0 Update 6 means JRE 1.6.0_06 (V9.2.5 or higher)

- USP Proxy Software

Platform	Software
Windows XP SP2 – Professional Windows Vista Business SP1 Windows Server 2003 SP1 & SP2	USP Proxy V3.5 and V3.6

- JRE (JavaRuntimeEnvironment)

Platform	Software
Windows XP SP2 - Professional Windows Server 2003 SP1 & SP2 Sun Solaris 10 (Sparc)	Java Runtime Environment 5.0 Update 7 means JRE 1.5.0_07 (V9.1.4) Java Development Kit 5.0 Update 7 means JDK 1.5.0_07 (V9.1.4)
Windows XP SP 2 – Professional Windows Vista Business SP1 Windows Server 2003 SP1& SP2 Sun Solaris 10 (Sparc)	Java Runtime Environment 6.0 Update 6 means JRE 1.6.0_06 (V9.2.5 or higher) Java Development Kit 6.0 Update 6 means JDK 1.6.0_06 (V9.2.5 or higher)

For further information concerning the hard- and software requirements please consult the website:
www.eurexrepo.com > Publications > Eurex Repo General > Hard- and Software Requirements
(PDF Document)



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2.2.2 Technical connection

For the technical connection to the Eurex Repo trading system you can choose between a connection via the internet and a leased line. Choosing the connection via internet, it is the participants' responsibility to order and maintain the connection. For further information please see our "Installation Guide".

Both internet and leased line connection alternatives offer the following bandwidth options:

- § 128 kbps (minimum)
- § 256 kbps (recommended)
- § 512 kbps (maximum)

- The costs for the Internet Connection (min.128 kbps) are restricted to the costs for the Internet Provider
- The costs for the Leased Line (min. 128 kbps) are comprised of two parts:
 - Ø EUR 700 to 900 monthly, depending on the chosen bandwidth
 - Ø EUR 3.400 one-time installation costs
(installation is executed by Verizon Business or Radianz)

2.3 User registration

All Eurex Repo participants are committed to request individual access codes (login IDs) for each of their Eurex Repo trading system users (i.e. trader, system administrator, back-office employee). It offers the opportunity to restrict access for certain system functionalities, such as specific login IDs with "read-only authorisation", or trading authority for the "Production" and "Simulation" environments.

The application for the login ID (trading functionalities) is linked to the trader admission. For this purpose, the submission of the "Trader Application" form and the corresponding "Trader Data Sheet" is required.

Note: It is not necessary to take any trader examination for operating the Eurex Repo trading system. We are pleased to provide training for your trader in the workplace.

Login IDs with "read-only authorisation", can be ordered at any time by the „Info User of Eurex Repo“ form. The number of login IDs is unlimited and free of charge. After applying, Eurex Repo will send the login details via mail to your nominated internal contact person.



2.4 Participation from abroad / Mail Authority

In the case that the applying institution is based outside of Germany, it additionally has to submit a "Power of Attorney" for the mail correspondence. This is to provide evidence that the applying institution has authorised a person resident in Germany with the "Mail Authority". According to German law, legally effective notification must be able to be delivered within the borders of the country at any time. Naturally, general mail correspondence will be always sent to the postal address of the applying institution. Only in the event that notification is not feasible, the mail correspondence will be sent to the authorised person who is located in Germany.

2.5 Fee model

The participant itself is responsible for the applied fee model. Within the application process the participant decides which price model is most harmonious with their requirements, and selects the appropriate fee model in the "Reference Data Sheet". The chosen fee model is applied for the Euro- and GC Pooling[®] Market. At the end of every year there is the opportunity to review and request to change the fee model for the following year. To request and change in fee model, please send a letter to Eurex Repo or instead contact your respective Eurex Repo Sales Manager.

	Liquidity Provider I		Liquidity Provider II		Liquidity Taker	
	Non-Aggressor	Aggressor	Non-Aggressor	Aggressor	Non-Aggressor	Aggressor
Min. fee per trade in €	5,-		5,-		10,-	
QNTN (in Basis points p.a.)	0,1	0,6	0,4	0,6	0,6	0,6
All other terms	0,1	0,3	0,2	0,3	0,3	0,3
Annual fee	100.000,-		25.000,-		10.000,-	

The three tier fee models do not differentiate whether the participant receives or provides liquidity. Furthermore, the fee model is designed to offer an incentive to participants who quote actively. The referring pricing as either aggressor or non-aggressor occurs automatically through Eurex Repo and depends on the trading behaviour of the participant.



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Definitions:

- Liquidity Provider I + II

These two price models have higher annual fees and in return lower transaction costs. Participants who quote actively receive a discount (non-aggressor).

- Liquidity Taker

In comparison to the other price tiers, the annual fee is lower and the transaction costs are higher. There is no distinction as to whether the participant quotes actively or not.

- Non-Aggressor

Participants, who actively quote on the buy- and/or sell-side.

- Aggressor

Participants, who trade on an existing quote of another participant on the trading platform.

2.6 Clearing und Settlement

To become a member of the Eurex Repo Euro market, as mentioned earlier, it is necessary to participate in the clearing process of Eurex Clearing AG, either directly as General Clearing Member (GCM) or Direct Clearing Member (DCM) or indirectly by an NCM-GCM/ DCM agreement.

The settlement of transactions can be performed by Clearstream Banking or Euroclear. For more information please do not hesitate to ask for our „Clearing Guideline“.



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3. Simulation

To become familiar with the Eurex Repo trading system and its applications we offer you a simulation environment to perform test trades. If you are already connected to Eurex Clearing AG you will also receive preselected reports for your test trades. It is only necessary to complete at least one “Application for Admission as Trader” (Form), the “Application for Set-up/Deletion/Change of CCP Settlement Accounts” plus the “Reference Data Sheet (Form) and simulation can be commenced immediately. A simulation calendar of when the test environment is available can be found on our website via the following link:

www.eurexrepo.com > Publications > Eurex Repo Euro Markt

For any further questions please do not hesitate to contact our functional helpdesk:

Functional Helpdesk
Phone +41 (0)58-854-2424
Fax +41 (0)58-854-2455
Email: funchelp@eurexrepo.com



4. Checklist

Nr.	<u>Proofs + Forms</u>	Done by:
Required documents for granting a trading admission		
1	Application for Participation on Eurex Repo (Form)	
2	Connection Agreement regarding the Participation in Trading on Eurex Repo (Form)	
2	Reference Data Sheet Eurex Repo (Form)	
4	Application for Admission as Trader (Form)	
5	Reference Data Sheet Trader (Form)	
6	Info User of Eurex Repo - for persons with "reading authorisation" only (Form)	
7	Confirmation that the applicant is under the regulation of a domestic regulatory authority and is either a credit institution or has the status of a financial service provider, according to the definition of Article 1, § 1 + 2 and Article 4, § 1 of EU Council Directive "Markets in Financial Instruments Directive" ("MiFID") 2004/39/EG (Proof)	
8	Excerpt from the commercial register (Attested copy)	
9	List of authorised signatures (Proof)	
Additional required documents for participants from abroad		
10	Mail authority (Form)	



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5. Further information and guidelines

- § **Terms and Conditions for Participating and Trading on Eurex Repo GmbH**
www.eurexrepo.com > Publications > Eurex Repo Euro Markt

- § **Clearing Conditions of Eurex Clearing AG**
www.eurexclearing.com > Documents > Rules & Regulations > Clearing Conditions

- § **Hardware and Software Requirements**
www.eurexrepo.com > Publications > Eurex Repo General

- § **Eurex Repo Installation Guide**
Please contact your Eurex Repo Sales Manager

- § **Eurex Repo Trading GUI / User Manuel for Traders in the Repo Market**
Please contact your Eurex Repo Sales Manager

- § **“Welcome-Package“ of Eurex Repo Technical Helpdesk**



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6. Contact

For any further questions please do not hesitate to contact us at any time.

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