

# **Admission to the GC Pooling<sup>®</sup> Market**



**How to get started with Eurex Repo**

**Eurex Repo GC Pooling<sup>®</sup> Market –**

**Trading admission Guide**

# Admission to the GC Pooling<sup>®</sup> Market



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# Admission to the GC Pooling<sup>®</sup> Market



## 1 Welcome

Thank you for your interest in the Eurex Repo GC Pooling<sup>®</sup> Market.

We are pleased to provide you with a guideline which will accompany you on your way to participation in the Eurex Repo GC Pooling<sup>®</sup> Market.

Eurex Repo GmbH is a 100% subsidiary of Eurex Frankfurt AG, which in turn is a 100% subsidiary of Deutsche Börse AG. Furthermore, Eurex Repo is a market place under private law and not a stock exchange subject to public law.

Eurex Clearing AG, a 100% subsidiary of Eurex Frankfurt AG, acts as central counterparty for the Eurex Repo markets. Therefore, after the conclusion of every transaction on Eurex Repo GmbH, Eurex Clearing AG steps in as central counterparty and not Eurex Repo GmbH. Based upon this, a license as a General-Clearing Member (GCM) or a Direct-Clearing-Member (DCM) at Eurex Clearing AG is necessary when becoming Eurex Repo Trading Participant. In connection with a Repo Clearer, participation as Non-Clearing-Member (NCM) is possible. For more detailed information regarding a Repo Clearing License please see our "Guideline for a Clearing License of Eurex Clearing AG".

Since the year 2005 Eurex Repo GmbH in cooperation with Clearstream Banking AG offers the GC Pooling<sup>®</sup> Market. More than 8,000 securities can be traded in the Euro GC Pooling<sup>®</sup> basket and, if wanted, can be used directly for open market operations of ECB / Deutsche Bundesbank (Re-Use). The Euro GC Pooling<sup>®</sup> EXTENDED Basket, established in November 2008, covers around 23,000 ECB-eligible securities. The settlement of GC Pooling<sup>®</sup> is carried out by Clearstream Banking AG. In March 2011 the GC Pooling Equity Basket which contains 50 equities with the highest Xetra<sup>®</sup> volume of the HDAX was introduced.

With the introduction of the new product USD GC Pooling<sup>®</sup> in January 2010 Eurex Repo became a multi-currency market place. The product USD GC Pooling<sup>®</sup> enables all participants a refinancing possibility in USD.

Xemac is the Collateral Management System of Clearstream Banking Frankfurt (CBF) and CmaX the Collateral Management System of Clearstream Banking Luxembourg (CBL). These collateral management engines provide fully-automated allocation and substitution of the securities for collateralization of the traded cash amount. Participation in either Xemac or CmaX is mandatory for GC Pooling. The Euro Market as well as the GC Pooling<sup>®</sup> Market are traded via the same Graphical User Interface (GUI).

For further legal information required for Eurex Repo trading, please refer to the Terms and Conditions for Participation and Trading on Eurex Repo GmbH and the Clearing Conditions of Eurex Clearing AG.

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## 2 Participation in the Eurex Repo GC Pooling<sup>®</sup> 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 ("Guideline for a Clearing License of Eurex Clearing AG")

Central banks, central governments and ministries, multilateral development banks or international organizations, may be admitted as participants without having the status of a credit institution or financial institution if the technical and other prerequisites are fulfilled (e.g. participation in the clearing procedure, registered traders).

Furthermore the following additional requirements for GC Pooling<sup>®</sup> need to be fulfilled:

- § Settlement via Clearstream Banking Frankfurt (CBF) and/or Clearstream Banking Luxembourg (CBL)
- § Direct connection to Xemac and/or CmaX, the Collateral Management Systems of Clearstream Banking AG

### 2.2 Settlement

Unlike the Euro Market, settlement in the GC Pooling<sup>®</sup> Market is performed exclusively via the CASCADE/Creation settlement platform of Clearstream Banking Frankfurt (CBF) and/or Clearstream Banking Luxembourg (CBL). Xemac is the Collateral Management System of Clearstream Banking Frankfurt (CBF) and CmaX the Collateral Management System of Clearstream Banking Luxembourg (CBL). Both systems provide the allocation and substitution of the participants' securities portfolio. Please note that currently only participants with an account with Clearstream Banking Frankfurt may make use of the possibility to re-use the received collateral within the framework of the open market operations of the Deutsche Bundesbank / ECB (Re-Use).

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All GC Pooling<sup>®</sup> participants receive a “Reservation Account” as well as a “Segregation Account”. Receipt of collateral from transactions are deposited in the “Segregation Account” while the collateral to be delivered by the participants are booked into the “Reservation Account”.

For participants with a German account set-up, a CASCADE Main-Account (code -000) at Clearstream Banking Frankfurt (CBF) as well as a linked Xemac Sub-Account (code -550) will be opened along with the set-up of a “Reservation Account” as well as a “Segregation Account”. For all other participants with a CBL account set-up a separate “Reservation Account” and a “Segregation Account” will be opened and linked with the GC Pooling<sup>®</sup> Main Account.

It is in the responsibility of the participant to provide sufficient collateral on their Xemac Sub-Account (code -550). Therefore, the participant transfers GC Pooling<sup>®</sup>-eligible collateral from his CASCADE Main Account to the Xemac Sub Account. Afterwards the Xemac System automatically performs collateral management. For this, participants with CBL accounts need to use the GC Pooling main account to which the reservation account is linked.

## **2.3 Connection to the Eurex Repo trading system for GC Pooling<sup>®</sup>**

The requirements for participation in the GC Pooling<sup>®</sup> Market are basically identical with those for the Euro Market. The fundamental difference is the requirement of a connection to Xemac/CmaX.

The following connection alternatives are available:

### **2.3.1 Eurex Repo Trading Connectivity via VPN Connection (minimum 128kb)**

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 online log-on details for the “Member Page” on the Eurex Repo Website ([www.eurexrepo.com](http://www.eurexrepo.com)) and the log-on details for the “Cisco VPN Client download” section, as well as all other relevant information for the installation and configuration procedure of the Eurex Repo Trading System.

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First, after login at the “Cisco VPN Client download” section with the respective individual log-on account details, the participant has as a first step the possibility to download the Cisco VPN Client Software and the corresponding Cisco VPN Client Certificate. In order to authenticate the participant and to encrypt the data communication, a VPN (VirtualPrivateNetwork) connection to the Eurex Repo “Cisco-Server” can be installed using this Cisco Client and the dedicated certificate. Please note that there are different links available depending whether you wish to download the trading software for “Production” or “Simulation”. Only after the Cisco VPN Client Software has been installed, configured and put into operation, you can, as a second step, log-on to the “Member Page” of the Eurex Repo Website and download further software components for the installation of the Eurex Repo Trading System. Furthermore, for the installation of the TCGUI (TradingClientGraphicalUserInterface) and/or OTX (OwnTradeExtractor) a JRE (JavaRuntime Environment) is a requirement.

For detailed information please see the “Welcome Package” and the “Installation Guide”.

The use of all software components and certificates for the use of the Eurex Repo Trading System are free of charge and once downloaded, can be installed on multiple workstations. The total installation time takes approximately one hour.

Charges only occur from your own internet provider.

For further questions regarding the connection to the Eurex Repo Trading System please do not hesitate to contact our technical helpdesk:

Technical Helpdesk  
T +41 (0)58-399-2488  
F +41-(0)58-399-2898  
E-Mail: [techhelp@eurexrepo.com](mailto:techhelp@eurexrepo.com)

## 2.3.2 Eurex Repo Trading Connectivity via Leased Lines

The installation of leased lines is done by Verizon Business or Radianz. Depending on the bandwidth costs between EUR 700 – EUR 900 per month and a one time installation fee in the amount of EUR 3.400,- are generated.

Alternatively, an installation of leased lines through the network of Deutsche Börse AG is also possible. A price will be provided upon demand.

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For further questions regarding the ordering of leased lines please do not hesitate to contact our technical helpdesk:

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E-Mail: [techhelp@eurexrepo.com](mailto:techhelp@eurexrepo.com)

## **2.3.3 Eurex Repo Trading Connectivity via Web Based Access through the Deutsche Börse AG**

After the conclusion of a contract with Deutsche Börse AG, the customer receives access to the Eurex Repo Trading System via Token. The charge per trader/per Market is EUR 300,-- per month.

For further questions regarding the connection to the Eurex Repo Trading system via Webtrading please do not hesitate to contact the product manager:

T +49 (0) 69 211-18362  
T +49 (0) 69 211-13327  
E-Mail: [accessproducts@deutsche-boerse.com](mailto:accessproducts@deutsche-boerse.com)

## **2.3.4 Eurex Repo Trading Connectivity via Web Based Access through the company Oraise**

The company Oraise offers a web-based access with IT support. The one-time service costs are EUR 3.500,--. Per trader the costs are EUR 200,-- per month.

For further questions regarding the connection to the Eurex Repo Trading system via Oraise please do not hesitate to contact Mr Dietmar Grün:

T +49 (0) 711 220955 22  
E-Mail: [dietmar.gruen@oraise.com](mailto:dietmar.gruen@oraise.com)

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## 2.4 Hardware and Software Requirements

In order to be connected to the Eurex Repo trading system participants must fulfil the following minimum hard- and software requirements:

- Eurex Repo Application and SC (Service Connector) Proxy (Windows) - Hardware

	Trading Client GUI	Service Connector Proxy
<b>Minimum Hardware Requirements</b>		
Processor	Intel Core 2 Duo (recommended: Intel Core i7 quad core)	Intel Core i3
Display	1280 x 1024 resolution 17" Monitor	No Display
<b>Application</b>		
RAM	1 GB	1 GB
Hard-Disk	200 MB	200 MB
<b>Connection</b>		
	Internet connection or Leased Line to the Eurex Repo System 128 Kbit/s (Minimal) 256 Kbit/s (Recommended) 512 Kbit/s (Throttled maximum)	

There are no specific hardware recommendations for Participant Own Applications (POA) when connected to the Eurex Repo environments. It is the responsibility of the participant to determine the accurate hardware configuration.

- Eurex Repo Customer PCs - Software

Operating System	Runtime Environment	Application
Windows 7 – Professional 64-bit	Java Runtime Environment 6.0 Update 18 means JRE 1.6.0_18	Internet Explorer V7
Windows XP SP3 – Professional		Trading Client GUI and Own Trade Extractor (OTX) V12.01.11 or higher
Windows Vista Business SP2		

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## 2.5 Clearstream Banking - Xemac

By the use of CBF Collateral Management System Xemac (in combination with the Collateral management System CmaX – CBL), the collateral management for all GC Pooling<sup>®</sup> trades, the re-use of collateral within the framework of the open market operations of the Deutsche Bundesbank / ECB (Re-Use) as well as the margining of Eurex Clearing AG can be conducted.

Xemac is an application to be installed by the participants and linked directly with CmaX, the Collateral Management System of CBL.

If the participant does not have multi-protocol-eligible lines, additional lines for the connection to Xemac must be ordered.

In case of further questions regarding the connection to Xemac, please do not hesitate to contact your Clearstream Banking Sales Manager:

Clearstream Banking AG – Luxembourg

Global Securities Financing – Sales

Heidi Reiles Phone +35-2-243-36361

Gösta Feige Phone +35-2-243-32394

Carsten Hiller Phone +49 (0)69 2 11-1 27 57

## 2.6 Clearstream Banking - CmaX

International participants are able to join the GC Pooling<sup>®</sup> Market via the CmaX Clearstream Banking Luxembourg (CBL) infrastructure.

In case of further questions regarding the connection to Cmax, please do not hesitate to contact your Clearstream Banking Sales Manager:

Clearstream Banking AG – Luxembourg

Global Securities Financing – Sales

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# Admission to the GC Pooling<sup>®</sup> Market



## 2.7 Registration of Persons (Trader)

All participants are obliged to request an individual access code (Log-on) for each person (trader, system manager, backoffice staff) who shall have access to the system. The participant can apply for Log-ons with limited (read-only) or complete (trading-) functionality for the simulation as well as for the production environment. User Log-ons for the trading functionality can only be applied for in connection with the submission of an application for registration as trader.

It is necessary to conduct a Eurex Repo Trader Exam (online). Please provide the “Application for Trader Registration” and the “Reference Data Sheet Trader” as well as the “Confirmation by the Compliance Officer regarding the orderly processing of the Eurex Repo Trader Exam”. Upon receipt of the documents by Eurex Repo, the applying trader receives a link to the Trader Exam. As soon as the registration to the Trader Exam has taken place, the Log-on Credentials, study material and the Link to the Trader Exam will be provided by E-Mail. Under the prerequisite that the applying company is already admitted as GC Pooling<sup>®</sup> Trading Participant, the trader receives, once the Trader Exam is successfully passed, the trader log-on for the Trading System.

Traders who have been registered as a Eurex Repo trader at an earlier date and whose registration does not date back longer than 12 months do not need to re-take the Eurex Repo Trader Exam if changing employer.

Please note: Log-on IDs with “read-only authorisation” can be ordered at any time with the „Info User of Eurex Repo“ form. The number of log-on IDs is unlimited and free of charge. After application, Eurex Repo will send the log-on details via mail to your nominated internal contact person.

## 2.8 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 his requirements, and selects the appropriate fee model on the “Reference Data Sheet”. The chosen fee model is applied for the Euro Repo- and GC Pooling<sup>®</sup> Market. At the end of every year you have the opportunity to review and request to change the fee model for the following year. To request and change your fee model, please send a letter to Eurex Repo or 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,-	

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Within the models there is no differentiation whether the participant receives or provides liquidity. Furthermore, the fee model Liquidity Provider I and Liquidity Provider II is designed to offer an incentive to participants who quote actively. The pricing as either aggressor or non-aggressor automatically takes place through Eurex Repo and depends on the trading behaviour of the participant.

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 pricing models, the annual fee is lower and the transaction costs are higher. The trading participant in this fee model always pays the same price for a transaction, as it is irrelevant 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.

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## 3 Simulation

To become familiar with the Eurex Repo trading system and its applications we offer a test- and simulation environment. There you have the possibility to perform test trades and, if you are already connected to Eurex Clearing AG, you will also receive preselected reports for your test trades.

A calendar with availability dates for the test environment can be found on our website via the following link:

[www.eurexrepo.com](http://www.eurexrepo.com) > Publications > Eurex Repo Euro Market

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  
E-Mail: [funchelp@eurexrepo.com](mailto:funchelp@eurexrepo.com)

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## 4 Checklist for Participation in Eurex Repo GC Pooling

Nr.	Proofs + Forms	Done by:
	Required documents for granting a trading admission	
1	Application for Participation on Eurex Repo (Form)	
2	Reference Data Sheet Trading Participant	
3	Application for Admission as Trader (Form)	
4	Reference Data Sheet Eurex Repo (Form)	
5	Confirmation by the Compliance Officer regarding the orderly processing of the Eurex Repo Trader Exam (Form)	
6	Info User of Eurex Repo - for persons with "reading authorisation" only (Form)	
7	Reply Spanish Tax (Form)	
8	ECAG Spanish Tax Form (Form)	
9	Trading and Annual Fees Invoice Recipient and Direct Debiting Authorisation	
10	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)	
11	Excerpt from the commercial register (Attested copy)	
12	List of authorised signatures (Proof)	
13	Application for Participation at GC Pooling	

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If the Eurex Repo Euro Market Participation is already in place, only the following documents need to be submitted:

Nr.	Proofs + Forms	Done by:
1	Application for Participation at GC Pooling	
2	Reference Data Sheet Eurex Repo (Form)	
3	Eurex Clearing AG – CCP Setup Sheet (Form)	
4	If the account is not yet set-up in the CCP: Power of Attorney for CBF/CBL (Form)	
5	If the conversion into EUR has not been chosen for other Clearing Licenses, then submission of: Application for Set-up / Deletion / Change of Custody Accounts and Clearer Cash Accounts (Form)	

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## 5 Further information and guidelines

### § Terms and Conditions for Participating and Trading on Eurex Repo GmbH

[www.eurexrepo.com](http://www.eurexrepo.com) > Publications > Eurex Repo Euro Markt

### § Clearing Conditions of Eurex Clearing AG

[www.eurexclearing.com](http://www.eurexclearing.com) > Documents > Rules & Regulations > Clearing Conditions

### § Hardware and Software Requirements

[www.eurexrepo.com](http://www.eurexrepo.com) > Publications > Eurex Repo General

### § Eurex Repo Clearing Guide

[www.eurexrepo.com](http://www.eurexrepo.com) > Publications > Eurex Repo Euro Markt

### § Eurex Repo Installation Guide

Please contact your Eurex Repo Sales Manager

### § Eurex Repo Trading GUI / User Manual for Traders in the Repo Market

Please contact your Eurex Repo Sales Manager

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

### § Clearstream Functional Service Description

Please contact you Clearstream or Eurex Repo Sales Manager

# Admission to the GC Pooling<sup>®</sup> Market



## 6 Contact

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

### **Eurex Repo Sales – Frankfurt**

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