

Authority: Rule 506

#04-00X

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BULLETIN

Margins: Customer margin credits for spread positions which include clearing-link products

Abstract: *This Bulletin modifies the guidance in Eurex US Bulletin # 04-001 by making clear that customer margins are eligible for inter- and intra- market spread credits for products cleared by The Clearing Corporation under a link agreement with Eurex Clearing AG.*

1. Eurex US Bulletin #04-001, issued on February 5, 2004, set forth guidance regarding the collection of margins under Rule 506. Among other issues, Bulletin #04-001 made clear that Members may credit their customers' **intermarket** spread positions no more than the amount permitted by the Clearing Corporation for its Clearing Participants. As further provided in Eurex US Bulletin #04-001, Members must collect 130% of such margin level ("maintenance spread margin level") from their customers who are not commercial entities within the meaning of CFTC Rule 17.01(d). This is the initial spread margin level. If the value of margin deposited by such a customer with a Member falls below the maintenance spread margin level, the Member must require that the customer restore the account value to the initial spread margin level. Eurex US Bulletin #04-001 also made clear that Members may credit their customers' **intramarket** spread positions if the legs are in a one-to-one ratio by marking those spreads to the market.
2. The Clearing Corporation and Eurex Clearing AG have entered into an agreement establishing a clearing link. Pursuant to rules of The Clearing Corporation and Eurex Clearing AG, Eurex US Clearing Members are able to clear products traded on Eurex for which Eurex Clearing AG is the Primary Clearing House.
3. In accordance with Eurex US Rule 506, one or both legs of an "**intermarket spread position**" may be a product, or products, traded on Eurex for which The Clearing Corporation acts as counterparty under its Rule 9-102B. As provided by Eurex US Bulletin #04-001, Members may credit such **intermarket** spread positions of their customers no more than the amount permitted by the Clearing Corporation for its Clearing Participations.

4. In accordance with Eurex US Rule 506, the legs of an “**intramarket spread position**” may be a product or products traded on Eurex for which The Clearing Corporation acts as counterparty under its Rule 9-102B. As provided by Eurex US Bulletin #04-001, Members may credit such **intramarket** spread positions provided that the legs are in a one-to-one ratio by marking those spreads to the market.

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