Mexican Derivatives Exchange
Local Aspects Study Manual

July 2009

In compliance with the notifications published in this Derivative Exchange's Bulletin of Indicators, dated October 11, 2005, July 27, 2006, April 26, 2007, and May 11, 2009, published by this Derivatives Exchange, regarding Certifications issued abroad and recognized by MexDer, Mercado Mexicano de Derivados, S.A. de C.V. ("MexDer"), this "Mexican Derivatives Exchange Local Aspects Study Manual" has been prepared.

Attachment 1 contains the statement that applicants and the Compliance Officer of the financial institution they represent must sign in duplicate and submit to the Mexican Securities Industry Association (AMIB) to complete the validation procedure and thus receive the respective certificate. For additional information contact Xavier Murguía Morales at (5255) 5342-9210 xmurguia@amib.com.mx.

In addition, to complete this process and be able to perform the functions authorized by the certificate issued by the AMIB, it's necessary to go through the accreditation process via MexDer's legal area at +52 (55) 5342-9114, with Airam Torres atorres@bmv.com.mx.

Failure to do so will result in NON accreditation by this Exchange and will be in breach of MexDer regulations, with the individual and the institution he or she represents subject to the corresponding disciplinary measures.

Important footnote

Reading, studying and signing this Manual does not exempt the staff accredited and recognized by MexDer from the responsibility of knowing the regulations that apply to the Mexican Derivatives Market, whether issued by the Exchange itself, the Clearinghouse or by the field's competent authorities as well as any future modifications that may be made to those regulations.

It should be borne in mind that this Manual has been prepared for information purposes only, and every effort has been made to ensure that it is reliable. MexDer, is not responsible for any errors that it may contain, nor does MexDer take any responsibility whatsoever for the use or interpretation by others of the information contained herein.

Similarly, MexDer assumes no responsibility for any modifications that may not be contained in this document. It is, therefore, important to take into account the date of publication.

CONTENTS

1. REGULATORY FRAMEWORK

2. TRADING ASPECTS

3. Asigna, Compensación y Liquidación, The Clearinghouse of the Mexican Derivatives Exchange

4. Attachment 1 (Statement to be presented to the AMIB)

1. REGULATORY FRAMEWORK

1.1 PARTICIPANTS IN THE ORGANIZED FUTURES AND OPTIONS MARKET IN MEXICO

The standardized market of Future and Option contracts must at least include the participation of the following:

- <u>The Exchange</u>
- <u>The Clearinghouse</u>
- <u>Clearing Members</u>
- <u>Brokers</u>

The Derivatives Exchange

The Exchange, in this case MexDer, Mercado Mexicano de Derivados, S.A. de C.V. (referred to from now on as “MexDer), is a limited-responsibility corporation whose purpose is to supply the facilities and other services necessary for the quotation and trading of Future Contracts and Option Contracts.

To create an Exchange, authorization must be obtained from the Ministry of Finance and Public Credit. Not only corporations but individuals may be members of such exchanges.

The Exchange’s capital stock is made up of common stock, whose owners enjoy the ordinary rights that the law assigns to shareholders and, therefore, each share is of equal value and confers the same rights and obligations upon its owners.

Common shares may be acquired by Brokers, Clearing Members and other individuals and corporations authorized by the Exchange under the terms of its corporate by-laws. Clearing Members must always be shareholders of the Exchange.

The Clearinghouse

The Clearinghouse, in this case Asigna, Compensación y Liquidación (referred to from now on as “Asigna”) is an administrative and payment trust established upon receipt of authorization from the Ministry of Finance and Public Credit. Its purpose is to act as a counterpart to every transaction carried out on the Exchange and to clear and settle Future and Option Contracts.

Trust: A contract by which an individual or corporation transfers the ownership of part of their assets to a trust institution in pursuit of whatever legal purpose the individual or corporation establishes in the respective trust indenture.

The parties involved in a trust include:

- The grantor → Owner of the assets or rights transmitted to the trust for a lawful purpose, with the legal capacity to encumber and/or dispose of the assets.

- The trustee → Institution authorized to act as such which receives domain of the assets placed in the trust and is obliged to pursue the purposes for which those assets were committed.

- Beneficiary → Party receiving the benefits of the trust or the remainder once the trust's purpose has been completed.

In first place are Asigna's grantors, Clearing Members who have contributed the Clearinghouse's equity and who perform settlement functions for brokers and clients.

In second place are Equity Members, parties authorized to invest in the Clearinghouse's equity.

Asigna's trustee is BBVA Bancomer, S.A., Institución de Banca Multiple, Grupo Financiero BBVA Bancomer, which was selected after a competitive bidding process.

Asigna's beneficiaries are the Clearing Members.

Clearinghouse trusts are irrevocable for the grantor as long as there are unfulfilled obligations and their duration must be either indefinite or for as long as is necessary for the completion of their purpose.

The charter by which these trusts are created must provide for the creation of a Technical Committee, establish the rules for its composition and functions and establish its faculties.

The National Banking and Securities Commission is in charge of overseeing the Clearinghouses.

The Clearinghouse issues rules that Clearing Members must follow in settling Future and Option Contracts, sees that the terms and conditions agreed upon in trades are completed duly and effectively and implements mechanisms and systems to eliminate the risk of default and thus endow the Market with security and reliability (Internal Regulations and Procedural Manual).

Clearing Members

Clearing Members are trusts whose purpose is to trade contracts for their proprietary accounts and for third parties on the Exchange and with the Clearinghouse and are jointly obligated before the Clearinghouse for the obligations of their clients.

Credit institutions and brokerage firms that wish to act as trustees of trusts whose purpose is to operate as Clearing Members must obtain for each trust the corresponding approval from the Exchange and the Clearinghouse under the terms described in the internal regulations of the Exchange and the Clearinghouse in question, which entails their inscription in the Exchange's Registry of Brokers and Clearing Members and in the Clearinghouse's Registry of Clearing Members.

Credit institutions and brokerage firms that wish to act as Clearing Members must submit the approvals obtained from the Exchange and the Clearinghouse to the Ministry of Finance and Public Credit.

After hearing heard the opinion of the National Banking and Securities Commission and Banco de Mexico, the Ministry of Finance and Public Credit reserves the right to veto these approvals when it is of the opinion that the grantors or the members of their technical committee lack sufficient technical or moral capacity to perform their duties or when the approval procedure was not conducted in accordance with the internal regulations of the Exchange and the Clearinghouse in question. If the Ministry of Finance and Public Credit does not exercise its right of veto within 90 calendar days of the date the approvals and documentation are received, the respective trust may begin operations.

Brokers

Brokers are corporations that may or may not be members of the Exchange and whose purpose is to act as agents for one or more Clearing Members and, when applicable, as administrators of Global Accounts in Futures and Options Contracts and they may have access to the Exchange's electronic trading system for the purpose of trading of said contracts.

When Brokers enter into Futures and Options Contracts for proprietary accounts they are acting as Clients.

There is a type of Broker known as Market Maker, which is a corporation that has obtained approval from the exchange to operate as such and must continually and of its own volition maintain active buy and sell quotations in Futures and Options Contracts.

Brokers must be listed in the Exchange's Registry of Brokers and Clearing Members once they have completed the requirements established for these purposes in the Exchange’s internal regulations.

Brokers must sign a contract with at least one Clearing Member, through which the Clearing Member becomes jointly responsible before the Clearinghouse for the transactions the Broker performs on its own behalf.

A broker trading for third parties must sign a mercantile commission contract with a Clearing Member that stipulates, among other matters, that the broker will serve as the Clearing Member's agent for the purposes of settling the Futures and Options Contracts.

1.2 REGULATORY AND SELF-REGULATORY FRAMEWORK OF THE ORGANIZED FUTURES AND OPTIONS MARKET IN MEXICO

The financial authorities responsible for issuing regulations for the organized derivatives market in Mexico are the following:

- The Ministry of Finance and Public Credit
- The National Banking and Securities Commission
- Banco de México

On December 31, 1996, the Ministry of Finance and Public Credit, the National Banking and Securities Commission and Banco de México issued **"Mandatory Rules for corporations and trusts participating in the establishment and operation of a market for exchange-listed futures and options."**

On May 31, 1997, in order to preserve the liquidity, solvency and stability of the futures and options market, the National Banking and Securities Commission issued **"Prudential Regulations that participants in the market for exchange-listed futures and options must abide by in their trading activities."**

Exchange Regulations

1) Mandatory rules for corporations and trusts participating in the establishment and operation of a market for exchange-listed futures and options.

2) Prudential regulations that participants in the market for exchange-listed futures and options must abide by in their trading activities.

3) Corporate byelaws

4) Internal Regulations and the respective Exchanges' Policies and Procedures Manual

5) General Mercantile Societies Law

6) Market and business uses and practices. Repetition of actions within a company whose reiteration, acceptance and permanence acquire the force of regulation, and appear obligatory.

7) Federal Civil Code

8) Federal Code of Civil Procedures

Clearinghouse Regulations

1) Mandatory Rules for corporations and trusts participating in the establishment and operation of a market for exchange-listed futures and options.

2) Prudential regulations that participants in the market for exchange-listed futures and options must abide by in their trading activities.

3) Trust Indenture.

4) Internal Regulations and Manual of Policies and Procedures for the respective Exchanges.

5) Internal Regulations and Manual of Policies and Procedures for the respective Clearinghouses.

6) Provisions of business and banking laws.

7) Federal Civil Code.

Clearing Member Regulations

1) Mandatory Rules for corporations and trusts participating in the establishment and operation of a market for exchange-listed futures and options.

2) Prudential regulations that participants in the market for exchange-listed futures and options must abide by in their trading activities.

3) Trust Indenture.

4) Internal Regulations and Manual of Policies and Procedures for the respective Exchanges.

5) Internal Regulations and Manual of Policies and Procedures for the respective Clearinghouses.

6) Business and banking law dispositions.

7) Federal Civil Code.

Broker Regulations

1) Mandatory rules for corporations and trusts participating in the establishment and operation of a market for exchange-listed futures and options.

2) Prudential regulations that participants in the market for exchange-listed futures and options must abide by in their trading activities.

3) Corporate byelaws (in the case of corporations)

4) Internal Regulations and Manual of Policies and Procedures for the respective Exchanges.

5) Internal Regulations and Manual of Policies and Procedures for the respective Clearinghouses.

6) Business and banking law dispositions.

7) Federal Civil Code

Brokerage firms and banks acting as Brokers are also regulated by the bulletins issued to those institutions with regard to the trading of financial derivative instruments.

1.3 MINIMUM CAPITAL AND EQUITY FOR PARTICIPANTS IN THE ORGANIZED DERIVATIVES MARKET IN MEXICO

Minimum Capital of the Exchanges

Exchanges must at all times maintain a minimum capital in domestic currency equivalent to four million inflation-indexed Investment Units (UDIs). This minimum capital must be totally subscribed and paid in. The minimum capital must be made up of shares without the right of withdrawal.

Exchanges must receive authorization from the National Banking and Securities Commission to be able to invest their capital in certificates representing the capital stock of companies that supply complementary or auxiliary services in their administration or in the pursuit of their purposes.

Minimum Equity of Clearinghouses

The equity of each Clearinghouse should be made up of at least the minimum equity, the Contributions Fund and the Clearing Fund.

The minimum equity must be equivalent in domestic currency to fifteen million inflation-indexed Investment Units (UDIs).

One hundred percent of the minimum equity must be contributed in cash and must be invested in demand bank deposits, government securities with maturity terms of less than 90 days or in re-purchase agreements on those securities at the same term. The preceding notwithstanding, up to ten percent of the minimum equity and any excess over and above this amount may be invested in other assets approved by the Authorities.

Liquid funds, securities, yields and other accessory gains from the investment of the trust's equity, as well as the rights and other resources delivered to the trust in connection with its purposes, must be fully identified and separated out by each grantor.

Contributions Fund: A fund created in the Clearinghouse out of the Minimum Initial Contributions made by the Clearing Members for each Open Contract.

Clearing Fund: A fund created in the Clearinghouse out of resources over and above the Minimum Initial Contributions, asked of Clearing Members by the Clearinghouse itself, equivalent to ten percent of the established Minimum Initial Contributions, along with any other amounts requested for this fund.

The cash held in the Clearing Fund and the Contributions Fund must be invested in demand bank deposits, government securities at terms of less than 90 days or repurchase agreements on those securities at the same term, along with any other securities that may be approved for this purpose by the authorities.

Limits on ownership of Exchange capital stock and Clearinghouse equity

No individual or corporation may directly or indirectly acquire, through one or various transactions of any nature, simultaneously or successively, a controlling interest in the common stock of an Exchange or in the trust rights certificates of Clearinghouses - which would imply control through the respective technical committee - of more than five percent of the total number of outstanding stocks or certificates. The Ministry of Finance and Public Credit, after hearing the opinion of the National Banking and Securities Commission and Banco de Mexico, may, when it deems appropriate, authorize a greater percentage, but in no case may this exceed twenty percent.

These limits also apply when several parties wishing to acquire control are considered by the Ministry of Finance and Public Credit to be a single party in such cases.

Autorization from the Ministry of Finance and Public Credit must be obtained If any group of persons that the Ministry of Finance and Public Credit considers to be working as one wishes to acquire, directly or indirectly, through one or more transactions of any kind, simultaneously or successively, a controlling interest in companies created as Exchanges or in trusts - through their respective technical committees – and whose ultimate goal is to operate as a Clearinghouses.

Minimum equity of Clearing Members

<u>Proprietary</u>

Clearing Members that settle Futures or Option Contracts exclusively for proprietary accounts must at all times maintain a minimum equity equivalent to the greater of the following:

a) The equivalent in Mexican pesos of two million five hundred thousand inflation-indexed Investment Units (UDIs); or

b) Four percent of the total of all Minimum Initial Contributions maintained by that Clearing Member with the Clearinghouse for each Open Contract.

One hundred percent of the minimum equity of the trust must be contributed in cash and must be invested in bank demand deposits, government securities maturing in less than 90 days or repurchase agreements on those securities at the same term. Up to thirty percent of that equity and its excess, however, may be invested in Exchange shares, Clearinghouse trust right certificates and other assets approved by the authorities.

Contributions submitted by Clearing Members to the Contributions Fund and the Clearing Fund do not count toward minimum equity.

Third-party

Clearing Members that settle Futures or Options contracts for third parties must at all times maintain a minimum equity equivalent to the greater of the following:

a) The equivalent in Mexican pesos of five million inflation-indexed Investment Units (UDIs); or

b) Eight percent of the total of all Minimum Initial Contributions maintained by that Clearing Member with the Clearinghouse for each Open Contract.

One hundred percent of the minimum equity of the trust must be contributed in cash and must be invested in bank demand deposits, government securities maturing in less than 90 days or repurchase agreements on those securities at the same term. Up to thirty percent of that equity and its excess, however, may be invested in Exchange shares, Clearinghouse trust right certificates and other assets approved by the authorities.

Contributions submitted by Clearing Members to the Contributions Fund and the Clearing Fund, as well as for the Surplus Minimum Initial contributions do not count as minimum equity.

Minimum Capital of Brokers

Brokers must have a minimum capital in Mexican pesos equivalent to one hundred thousand inflation-indexed Investment Units (UDIs), except when they manage Global Accounts, in which case that capital must equal at least one million UDIs. This capital must be invested in bank demand deposits, government securities maturing in less than 90 days or repurchase agreements on those securities at the same term. Investments by the Broker in the Exchange's capital counts as part of this capital.

1.4 CORPORATE AND ORGANIZATIONAL STRUCTURE OF THE EXCHANGE AND THE CLEARINGHOUSE

Corporate structure of the Exchange

- Stockholders' Meeting
- Board of Directors
- Commissioner
- Executive Committee
- Audit Committee
- Committee on Admission and New Products
- Compliance and Ethics Committee
- Discipline and Arbitration Committee
- Clearinghouse Committee
- Certification Committee
- Promotion Committee
- Chief Executive Officer
- Compliance Officer

Organizational Structure of the Clearinghouse

- Trustors' Council
- Technical Committee
- Sub-Committee on Admission and Risk Management
- Management Sub-Committee

- Audit Sub-Committee
- Compliance and Ethics Sub-Committee
- Discipline and Arbitration Sub-Committee
- Chief Executive Officer

1.5 PRINCIPLES OF THE ORGANIZED DERIVATIVES MARKET IN MEXICO

Clearing Members, Brokers and Accredited Personnel must abide by the following principles in the performance of their duties:

I. Comply with the applicable provisions issued by the Authorities and by the Exchange, as well as with the market's sound applications and practices.

II. Allow the free interaction of supply and demand on the market, encouraging liquidity and preserving the appropriate formation and dissemination of prices.

III. Refrain from taking part in activities that constitute a breach of the law or ethics and refrain from concealing illicit or unethical activities of which they have knowledge.

IV. Make the interests of third parties a priority.

V. Avoid conflicts of interest with their Clients in decision-making and, if these are inevitable, resolve them without giving any party involved preference over another.

VI. Supply Clients with all the information that may be relevant in making a well-founded decision on whether or not to participate in the Market.

VII. Use only publicly-available information.

VIII. Manage and control risks in the transactions in which they participate.

1.6 DISCIPLINARY MEASURES

Violations of the Exchange and Clearinghouse Regulations will result in the application of disciplinary measures imposed by the Board or the Technical Committee, respectively, through the Discipline and Arbitration Committee or Sub-Committee or the corresponding Chief Executive Officer, according to the Regulations.

The Discipline and Arbitration Committee or Sub-Committee may apply any of the following disciplinary measures:

- Reprimands;
- Fines;
- Suspensions
- Revocations; and
- Exclusions

The Chief Executive Officer may apply the following disciplinary measures:

- Reprimands; and
- Fines
- Withdrawal of accreditation

Types of infraction

- Serious:
  - Fines
  - Revocation
  - Exclusions
- Non-serious

– Reprimands

Repeat violations

A repeat violation shall be considered to have occurred when a Clearing Member or Broker commits two or more infractions of the same type during a period of 15 months from the deadline for performance of an obligation.

1.7 DISPUTE RESOLUTION

The following kinds of disputes may be resolved through conciliation proceedings, or, when applicable, arbitration:

I. Disputes between Clearing Members, between Brokers or between both.

II. Disputes between a Client and a Clearing Member or Broker.

The conciliation or arbitration procedure is obligatory for Clearing Members and Brokers, and optional for Clients.

Clearing Members, Brokers, and Brokers' Clients have a period of one year from the date on which the event(s) that gave rise to the dispute took place to request that the Discipline and Arbitration committee begin conciliation procedures or, if such is the case, arbitration.

1.8 OVERSIGHT

In the Derivatives Exchange

Through the Compliance Officer and the parties he or she may designate, the Exchange shall oversee that Clearing Members, Brokers and their Accredited Personnel comply with the Regulations and Manual of Policies and Procedures, as well as the applicable rules in general.

It will also make sure that Clients, employees, directors, board members and committee members of the Exchange and the Clearinghouse comply with whichever ordinances indicated in the above paragraph that apply to them.

The Exchange shall carry out its supervisory duties in the following ways:

I. Monitoring operating systems

The term Operating systems refers to all the systems the Exchange may use to record and monitor transactions, evaluate risks and observe transactions carried out through the Electronic Trading System.

II. Audits of Clearing Members and Brokers

Audits shall consist of reviews of Clearing Members, Brokers and the Clearinghouse to check whether they are meeting the requirements established in the Regulations, the Manual of Policies and Procedures and the rules that apply.

III. Requests for information

Requests for information include any request for documentation relating to the activities of Clients, Clearing Members, Brokers and the Clearinghouse, which might allow the Exchange to verify compliance with the rules that apply.

IV. Any other system or means determined by the Board.

In the Clearinghouse

The Clearinghouse shall carry out its supervisory duties in the following ways:

I. Monitoring the clearing and settlement systems and the account administration system.

Clearing and Settlement systems include the systems the Clearinghouse may use to monitor the recording of Transactions, Open Interest and other activities carried out by Clearing Members and, when such is the case, Brokers.

II. Audits of Clearing Members and Brokers that manage Global Accounts.

Audits shall consist of reviews of Clearing Members and Brokers that manage Global Accounts, to check whether they are meeting the requirements established in the Regulations, the Manual of Policies and Procedures and the applicable rules, as well as their own general functional plans and manuals of policies, operating procedures, risk control and liquidity.

III. Requests for information

Requests for information include any request for documentation relating to the activities of Clients, Clearing Members and Brokers that manage Global Accounts, which might allow the Clearinghouse to verify compliance with the applicable rules.

IV. Risk valuation and extreme scenarios.

V. Any other system or means determined by the Technical Committee.

1.9 ACCREDITED STAFF

The Accredited Staff can be defined as individuals who have been designated by Clearing Members and Brokers to act as Promotion Agents/Sales Representatives, Desk Traders, risk managers and account managers and who have been accredited by the Exchange.

Requirements for Desk Traders

- A document issued by the MexDer-accredited legal representative of the Trader or Clearing Member, appointing the accredited staff.
- A notorized testimonial or certificate stating that the desk trader or traders is/are authorized to operate in MexDer.
- A signed statement from the would-be Desk Traders that they will comply with all the rules and dispositions issued by the Authorities, the Exchange and the Clearinghouse.
- A written document from the secretary of the Operator's Board of Directors or, depending on the individual case, the Clearing Member's Trustee, vouching for the Trader's or Traders' signature.
- A desk trader's certificate, issued by the Certifying Institution.
- A document certifying that the Desk Trader or Desk Traders has/have taken an Electronic Trading System course.

Requirements for Promotion Agents

- A document issued by the MexDer-accredited legal representative of the Trader or Clearing Member, appointing the accredited staff.
- A notorized testimonial or certificate stating that the promotion agent/agents is/are authorized to operate in MexDer.
- A signed statement from the would-be promoters that they will comply with all the rules and dispositions issued by the Authorities, the Exchange and the Clearinghouse.
- A written document from the secretary of the Operator's Board of Directors or, depending on the individual case, the Clearing Member's Trustee, vouching for the Promoter's or Promoters' signature.

- A promoter’s certificate, issued by the Certifying Institution.

Requirements for Account and Risk Managers

- A document issued by the MexDer-accredited legal representative of the Trader or Clearing Member, appointing the accredited staff.

- A signed statement from the would-be account and risk managers that they will comply with all the rules and dispositions issued by the Authorities, the Exchange and the Clearinghouse.

- An account and risk manager’s certificate, issued by the Certifying Institution.

2. Trading on MexDer, Mercado Mexicano de Derivados

In the trading field, the Mexican Derivatives Exchange has a few unique features that one should be aware of before conducting any trades.

2.1 PRODUCTS LISTED ON MEXDER

The following is a list of the main characteristics of the Futures and Options Contracts currently traded on MexDer.

Futures Contracts:

- MXN Peso / US Dollar (DA).

Contract characteristics:

Settlement	Physical Delivery
Size of the contract	$10,000.00 U.S. Dollars
Contract period	Monthly cycle, up to three years.
Ticker symbol	DA plus expiration month and year: e.g., DA MR 06 = March 2006.
Quotation unit	Pesos per dollar
Tick	0.0001 pesos, tick value per contract = 1.00 peso.
Trading hours	7:30 a.m. to 2:00 p.m. Mexico City time
Last trading day and expiration date	Monday of the week corresponding to the third Wednesday of the maturity month, or the previous business day if the Monday is a non business day.
Settlement at expiration	Second business day after the maturity date.

- Euro: legal currency of the European Monetary Union.

Contract characteristics:

Settlement	In cash
Size of the contract	€10,000.00 Euros
Contract period	Monthly cycle, up to one year
Ticker symbol	EURO plus expiration month and year, e.g.: EURO MR06 = March 2006.

Quotation unit	Pesos per Euro.
Tick	0.0001 pesos, tick value per contract = 1.00 pesos.
Trading hours	7:30 to 2:00 p.m. Mexico City time
Last trading day and expiration date	Two business days before the settlement date.
Settlement at expiration	Third Wednesday of the maturity month.

- Mexican Stock Exchange Index (IPC).

Contract characteristics:

Settlement	In cash
Size of the contract	$10.00 (ten Mexican pesos 00/100) multiplied by the value of the IPC.
Contract period	Quarterly cycle: March, June, September, December, up to one year.
Ticker symbol	IPC plus expiration month and year, e.g.: IPC JUN05 = June 2005
Quotation unit	IPC points.
Tick	1.00 (one IPC point) multiplied by the value of an IPC point (10.00 pesos)
Trading hours	7:30 a.m. to 3:00 p.m. Mexico City time
Last trading day and expiration date	Third Friday of the expiration month, or the previous business day if that Friday is a non-business day.
Settlement at expiration	Business day following the expiration date

- 28 day TIIE, Interbank Interest Rate (TE28).

Contract characteristics:

Settlement	In cash.
Size of the contract	$100,000.00 Pesos.
Contract period	Monthly cycle, up to 10 years (120 months).
Ticker symbol	TE28 plus expiration month and year, e.g.: TE28 FB09 (February 2009).
Quotation unit	The future rate at the annualized percentage yield rate, expressed in percentage points, with two digits after the decimal point.

Tick	One basis point.
Trading hours	7:30 a.m. to 2:15 p.m. Mexico City time
Last trading day and expiration date	Business day following the primary auction in the week of the third expiring Wednesday of each month.
Settlement at expiration	Business day following the expiration date.

- 2-year SWAP at a 28-day Interbank Interest Rate (SW02)

Contract characteristics:

Settlement	In cash
Size of the contract	1,000,000.00 pesos
Contract period	Monthly or quarterly cycle up to one year
Ticker symbol	SW02 plus month and year of maturity, SW02 FB09 (February, 2009)
Quotation unit	The Future Rate at the annualized percentage yield rate, expressed in percentage points with three digits after the decimal point
Tick	0.5 basis point
Trading hours	7.30 a.m. to 2.15 p.m. Mexico City time
Last trading day and expiration date	Business day following the primary auction in the week of the third expiring Wednesday of each month.
Settlement at expiration	Business day following the expiration date

- 10-year SWAP at a 28-day Interbank Interest Rate (SW10)

Contract characteristics:

Settlement	In cash
Size of the contract	1,000,000.00 pesos
Contract period	Monthly or quarterly cycle up to one year
Ticker symbol	SW10 plus month and year of maturity, SW10 FB09 (February, 2009)
Quotation unit	The Future Rate at the annualized percentage yield rate, expressed in percentage points with three digits after the decimal point
Tick	0.5 basis point
Trading hours	7.30 a.m. to 2.15 p.m. Mexico City time
Last trading day and expiration date	Business day following the primary auction in the week of the third Wednesday of each month
Settlement at expiration	Business day following the expiration date

- 91-day CETES, Federal Treasury Bills (CE91).

Contract characteristics:

Settlement	In cash.
Size of the contract	10,000 Cetes (Equivalent to 100,000.00 pesos).
Contract period	Monthly cycle for the first 12 months and quarterly cycle for up to 24 cycles (7 years).
Ticker symbol	CE91 plus expiration month and year, e.g.: CE91 FB09 (February 2009)
Quotation unit	The Future Rate at the annualized percentage yield rate, expressed in percentage points, with two digits after the decimal point.
Tick	One Basis Point.
Trading hours	7:30 to 2:15 p.m. Mexico City time
Last trading day and expiration date	Day of the primary auction in the week of the third Wednesday of each month.
Settlement at expiration	Business day following the expiration date.

- 3-year Fixed Interest Rate Government Development Bonds (M3).

Contract characteristics:

Settlement	Physical Delivery.
Size of the contract	1,000 Bonds (Equivalent to 100,000.00 pesos).
Contract period	Quarterly cycle: Up to 12 periods (3 years).
Ticker symbol	M3 plus expiration month and year, e.g.: M3 DC09 (December 2009).
Quotation unit	At price, expressed in pesos, with three decimal places after the point.
Tick	0.025 Pesos.
Trading hours	7:30 to 2:15 p.m. Mexico City time
Last trading day	Third business day prior to the expiration date of the series.
Expiration date	Last business day of the expiration month of that series.
Settlement at expiration	Physical Delivery, according to the General

	Contract Conditions.

- 10-year Fixed Interest Rate Government Development Bonds (M10).

Contract characteristics:

Settlement	Physical Delivery.
Size of the contract	1,000 Bonds (equivalent to 100,000.00 pesos).
Contract period	Quarterly cycle: Up to 12 periods (3 years).
Ticker symbol	M10 plus expiration month and year, e.g.: M10 DC09 (December 2009).
Quotation unit	At price, expressed in pesos, with three decimal places after the point.
Tick	0.025 Pesos.
Trading hours	7:30 to 2:15 p.m. Mexico City time
Last trading day	Third business day prior to the expiration date of the series.
Expiration	Last business day of the expiration month of that series.
Settlement at expiration	Physical Delivery, according to the General Contract Conditions.

- 20-year Fixed Interest Rate Government Development Bonds (M20).

Contract characteristics:

Settlement	Physical delivery
Size of the contract	1,000 Bonds (equivalent to 100,000.00 pesos)
Contract period	Quarterly cycle: Up to 12 periods (3 years)
Ticker symbol	M20 plus expiration month and year, e.g.: M20 DC09 (December 2009)
Quotation unit	At price, expressed in pesos, with three decimal places after the point
Tick	0.025 Pesos
Trading hours	7:30 to 2:15 p.m. Mexico City time
Last trading day	Third business day prior to the expiration date of the series
Expiration	Last business day of the expiration month of that series
Settlement at expiration	Physical delivery, according to the General Contract Conditions

- Investment Units (UDI).

Contract characteristics:

Settlement	In cash.
Size of the contract	50,000 UDI´s
Contract period	Monthly cycle for the first 12 months, and 16 quarters (4 years).
Ticker symbol	UDI plus expiration month and year, e.g.: UDI DC09 (December 2009)
Quotation unit	Value of the UDI expressed in pesos, multiplied by 100.
Tick	0 .001 pesos per UDI.
Trading hours	7:30 to 3:00 p.m. Mexico City time
Last trading day and expiration date	The 10th day of the expiration month, or the preceding business day if the 10th falls on a non-business day.
Settlement at expiration	Settlement in cash on the business day following the expiration date.

- Individual stocks.

América Móvil, S.A. de C.V. (AMXL) AXL
Cementos Mexicanos, S.A. de C.V. (CEMEX CPO) CXC
Fomento Económico Mexicano, S.A. de C.V. (FEMSA UBD) FEM
Grupo Carso, S.A. de C.V. (GCARSO A1) GCA
Teléfonos de México, S.A. de C.V. (TELMEX L) TXL
Wal-Mart de México, S.A.B. de C.V. (Walmex V) WAL

Contract characteristics:

Settlement	Physical Delivery.
Size of the contract	100 shares.
Contract period	Quarterly cycle: March, June, September and December, up to one year.
Ticker symbol	Three letters referring to the stock, plus the expiration month and year, e.g.: AXL DC06, CXC DC06, FEM DC06, GCA DC06, TXL DC06

Quotation unit	Pesos and cents per share.
Tick	The same as the tick value used in trading the underlying share on the Mexican Stock Exchange.
Trading hours	7:30 to 3:00 p.m. Mexico City time
Last trading day and expiration date	Third Friday of the expiration month, or the preceding business day if that Friday is a non-business day.
Settlement at expiration	Third business day after the expiration date.

Options Contracts:

- Futures on Mexican Stock Exchange Index (IP)

Contract characteristics:

Settlement	In cash.
Size of the contract	$10.00 (ten pesos 00/100) multiplied by the Options Contract Price or Premium.
Contract types	Call (buy) Put (sell)
Contract style	European
Contract period	Quarterly cycle: March, June, September and December, up to one year
Strike price	Expressed in whole points of the CPI, in multiples of 50 points.
Ticker symbol	IP plus five digits specifying the strike price, and one digit specifying the options contract and expiration month. e.g.: IP 10500C CALL options expiring in March . IP 10500X PUT options expiring in December.
Quotation unit	IPC points.
Tick	Minimum change in premium: 1.00 index point.
Trading hours	7:30 to 3:00 p.m. Mexico City time
Last trading day and expiration date	Third Friday of the expiration month, or the previous business day if that Friday falls on a non-business day.
Settlement at expiration	Business day following the expiration date.

- MXN Peso / US Dollar (DA).

Contract characteristics:

Settlement	Physical Delivery
Size of the contract	$10,000.00 U.S. Dollars
Types of contracts	Buy Option (Call) Sell Option (Put)
Style of contract	European
Contract period	Quarterly cycle: March, June, September, December up to a year.
Exercise prices	Will be expressed in Pesos according to the price of the Dollar spot date value and will be multiples of $0.05
Ticker symbol	DA plus five digits to specify exercise price and one digit to specify the type of Option Contract and the expiration month: DA.11250C CALL option with expiration date in March. DA 11200X PUT option with expiration date in December.
Quotation unit	Pesos and cents of Pesos per unit of underlying asset
Minimum Fluctuation	Minimum fluctiation of the premium of 0.001 pesos (one thousandth of Peso)
Trading hours	7:30 a.m. to 2:00 p.m. Mexico City time
Last trading day and expiration date	Expiration date of the future monthly contract over US Dollar listed in MexDer for the expiration date.
Settlement at expiration	Second business day to the date of expiration.

Option on Individual Shares

- América Móvil, S.A. de C.V. (AMXL) AXL
  Cementos Mexicanos, S.A. de C.V. (CEMEX CPO) CXC
  Grupo Televisa, S.A.B. (TV)
  Grupo México, S.A.B. de C.V., Serie B (GM)
  Wal-Mart de México, S.A.B. de C.V. (Walmex V) WA
  Naftrac 02 (NA)

Contract characteristics:

Settlement	Physical Delivery.
Size of the contract	100 shares.
Contract types	Call (buy) Put (sell)
Contract style	American.
Contract period	Quarterly cycle: March, June, September and December, up to one year
Strike price	Depending on the price of the Underlying share; multiples of an interval
Ticker symbol	First two digits refer to the Underlying share, plus 5 digits for the Strike Price (three whole numbers and two decimals) and another digit indicating the contract type and expiration month. e.g. AX 2400F CALL options, expiring in June, AX 650U PUT options expiring in September, CXC2400F CALL, expiring in June. CXC650U PUT, expiring in September. TV2400F CALL, expiring in June. TV650U PUT, expiring in September. GM2400F CALL, expiring in June. GM650U PUT, expiring in September. WAL2400F CALL, expiring in June. WAL650U PUT, expiring in September.
Quotation unit	Pesos and cents per unit of the Underlying share.
Tick	Minimum change in premium: 0.01 pesos (one cent)
Trading hours	7:30 to 3:00 p.m. Mexico City time
Last trading day and expiration date	Third Friday of the expiration month, or the preceding day if that Friday is a non-business day.
Settlement at expiration	Third business day following the expiration date.

- Naftrac 02 (NA)

Contract characteristics:

Settlement	Physical Delivery.
Size of the contract	100 shares.
Contract types	Call(buy) Put (sell)
Contract style	American.
Contract period	Quarterly cycle: March, June, September and December, up to one year
Strike price	Depending on the price of the Underlying share; multiples of an interval
Ticker symbol	First two digits refer to the Underlying share, plus 5 digits for the Strike Price (three whole numbers and two decimals) and another digit indicating contract type and expiration month, e.g.: NA 1030F CALL, expiring in June, 1010U PUT, expiring in September.
Quotation unit	Pesos and cents per unit of the Underlying share.
Tick	Minimum change in premium: 0.01 pesos (one cent)
Trading hours	7:30 to 3:00 p.m. Mexico City time
Last trading day and expiration date	Third Friday of the expiration month, or the preceding day if that Friday is a non-business day.
Settlement at expiration	Third business day following the expiration date.

For more information, go to:

http://www.mexder.com.mx/MEX/Contratos_Futuros.html#

http://www.mexder.com.mx/MEX/Contratos_Opciones.html

2.2 GENERAL CONTRACT CONDITIONS

The general contract conditions (GCCs) are the means by which the Exchange establishes the rights and obligations and the terms and conditions that Clients, Clearing Members and Brokers must abide by in trading, clearing and settling one or more Class of contract.

The General Contract Conditions specify the characteristics of each type of Contract listed on MexDer, including underlying asset, size and type of contract, settlement features, trading hours, ticker symbol, quotation unit, minimum fluctuation in the quotation (tick) and others.

Thus, the Future and Option contracts listed on MexDer have a standard characteristic. The competent Authorities' approval is required before they can be published and made effective.

2.3 TRADING AT A RATE OF YIELD, NOT PRICE

In Mexico the fixed-income market has customarily operated on the basis of yield rates, so the TE28 and CE91 Futures Contracts are negotiated in the trading system at a rate of yield, not a price.

2.4 MEXDER ELECTRONIC TRADING SYSTEMS

At the present time, MexDer has three electronic trading systems: i) SENTRA Derivados®, belonging to MexDer, ii) QUOTE®, licensed by the Spanish Futures and Options Market (MEFF), under a joint venture agreement signed on June 2, 2003, by both markets, and iii) RTD®, licensed by RTS Realtime Systems Inc., use of which began in January, 2009.

So IPC-related Futures and Options Contracts, individual shares, Dollar Trackers and Options are traded in QUOTE®; Futures Contracts, based on Interest Rates, Fixed-Income Securities and Currencies, are traded in SENTRA Derivados ® and currently all the afore-mentioned Contracts can be traded through RTD®.

As a result of this, in each system the Futures and Options Contracts are traded using the underlying assets mentioned below as a reference and in accordance with the following framework:

- **SENTRA Derivados®:**

  Future Contracts*:*
  United States of America Dollar
  Euro
  28-day TIIE
  91-day CETES
  3-year and 10-year bonds (M3 and M10)
  UDI
  2-year and 10-year TIIE Swaps

- **QUOTE®:**

  Futures Contracts on:
  Mexican Stock Exchange IPC Index
  Cemex CPO
  Femsa UBD
  America Movil L
  GCarso A1
  Walmex V
  Telmex L

  Options Contracts on:
  Futures on the Mexican Stock Exchange IPC Index
  America Movil L
  Cemex CPO
  GMexico B

Naftrac 02
Televisa CPO
Walmex V
United States of America Dollar

RTD®:

Futures Contracts on:
United States of America Dollar
Euro
28-day TIIE
91-day CETES
3-year and 10-year bonds (M3 and M10)
UDI
2-year and 10-year TIIE Swaps

Options Contracts on:

Futures on the Mexican Stock Exchange IPC Index
America Movil L
Cemex CPO
GMexico B
Naftrac 02
Televisa CPO
Walmex V
United States of America Dollar

2.5 HYBRID TRADING

The trading of Futures Contracts and Options Contracts on MexDer is conducted electronically. However, the Market Makers can fall back on a telephonic assistance system, through which they can ask staff in MexDer's operations area for help.

2.6 MARKET MAKERS

These are Brokers authorized by the Exchange to act in this capacity. Market Makers must sign the "Liquidity Terms and Conditions," in which they promise to:

- Maintain buy and sell quotations (with a maximum spread, minimum amount and certain number of expiration dates), on an ongoing basis and for their own accounts, on Futures and/or Options Contracts for which they are registered to act as Market Makers.

- Trade a minimum monthly volume.

Only Market Makers may engage in the following types of trades:

- Depth
- “Ronda”
- "Cama"

Neither the Exchange nor its shareholders are responsible to Market Makers for any loss, damage, expenses or costs they may incur, nor from any responsibility or claim brought against them as the result of their use of the trading-by-phone service.

Accordingly, the Exchange shall under no circumstances be held responsible for any errors in the process of inputting or entering Bids and Offers, or executing orders in the Electronic Trading System.

2.7 TYPES OF TRADES

The following describes the various types of trades that can be performed on MexDer, as well as the functioning and uses of each of them.

- **Firm Trade** When a contract is quoted by price, this consists of the presentation of Bid or Ask quotes in the Electronic Trading System and is completed when the price of a Bid is equal to or greater than an Ask, or when the price of an Ask is equal to or lower than a Bid price for the same contract.

  When the contract is quoted by rate, it consists of the presentation of Bid or Ask quotes in the Electronic Trading System and is completed when the rate of a Bid is equal to or lower than an Ask, or when the rate of an Ask is equal to or greater then the Bid rate for the same contract.

- **Cross Trade** A transaction performed when the same Clearing Member or Broker presents a Bid and an Ask quote in the Electronic Trading System for the same contract, provided that the quotes come from Clients.

- **Self-entry Transaction** A transaction performed when a Bid and an Ask are presented in the Electronic Trading System by the same Clearing Member or Broker, provided that either the Bid or the Ask comes from the proprietary account of a Clearing Member or Broker and the other from a Client.

- **"Cama" Trade** In this type of operation the Market Maker is obliged to present buy and sell bids and offers with a price spread. The counterpart who accepts to participate ("hears the bed") is obliged to carry out the transaction at the agreed spread and has the option to buy or sell.

- **"Ronda" Trade** In this type of operation, the right to "hear a bed" is auctioned among each participant in the trade, with a minimum of four and a maximum of 10 market makers taking part.

- **"Bundle" Trade** This consists of presenting a single bid to trade a contract with several successive maturity dates at the same price and simultaneously.

- **"Depth" Trades** These consist of presenting Bid or Ask quotes during a specific period of a trading session at the same price as the last trade recorded for that Series and provided the entire volume of the Bid or Ask displayed in the Electronic Trading System has been completed.

- **Rollover** A strategy involving the simultaneous sale and purchase of contracts of the same type but from different series, in order to maintain the same position - short or long - for however long the Client wishes.

- **Currency "bundle" trade** This is a trade that replicates a Forward-Swap and in which the simultaneous purchase and sale of dollars at different terms are agreed. By almost totally eliminating all the exchange risks, this trade becomes a local interest rate (in pesos) and a foreign rate (in dollars) directional point.

- **Block trade** This consists of presenting a firm buy or sell position with regard to a minimal amount of Contracts, specified by the Exchange, through the Electronic Trading System, the telephonic trading service or via the Exchange staff in the trading area. The presentation must adhere to the characteristics published in the Bulletin.

The price of a currency "stapled" trade is quoted in Forward points, similar to the way in which OTC Forwards are currently traded.

3. Asigna, Compensación y Liquidación

3.1 INTRODUCTION

Asigna, Compensación y Liquidación (forthwith “Asigna”) is an administration and payment trust established in BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, in December 1998, in order to clear and settle Futures Contracts and Options Contracts and to act as counterpart to every trade performed on MexDer, Mercado Mexicano de Derivados, S.A. de C.V. (forthwith “MexDer”).

Because it serves as counterpart to every trade, Asigna is obliged to follow the rules issued by the Mexican financial authorities, and by MexDer, in its capacity as a self-regulatory agency.

Asigna’s Clearing Members and trustors are in turn administration and payment trusts created by the country's leading financial groups: Banamex, BBVA-Bancomer, Scotiabank-Inverlat, Banco Santander (México) and Banco J.P. Morgan.

In order to guarantee trades, Asigna administers resources contributed as margins and Clearing Fund contributions, to which end it employs personnel who are highly specialized in the derivatives market and advanced, internationally-proven technology for clearing and settling trades.

Asigna's systems also have an interrelationship and access to other completely reliable systems for functions relating to accounting, settlement and treasury management.

3.2 CORPORATE STRUCTURE

Asigna, Compensación y Liquidación is an administration and payment trust established in BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer. The Clearing Members and in turn Asigna's "A" Grantors are both administration and payment trusts established by the leading financial groups established in Mexico:

Banamex, S.A.

BBVA Bancomer, S.A.

Scotiabank Inverlat, S.A.

Banco Santander (México), S.A.

Banco J.P. Morgan, S.A.

These grantors are Asigna's Clearing Members and contribute funds for the Clearinghouse's Equity as well as the Clearing Fund and the Contributions Fund. The Bolsa Mexicana de Valores, S.A.B. de C.V. y Participaciones Grupo BMV, S.A. de C.V. are "B" grantors in Asigna.

Asigna's highest governing body is the Trustors' Board, which establishes how the Trust Equity is created and the purposes for which it may be used. It also delegates administrative decisions to its Technical Committee, which is made up of representatives from the leading Clearing Members, Equity Partners and independent Members. All of these are responsible for continuously reviewing administrative and operative decisions for managing the Equity.

As a trust, Asigna has features that differentiate it from a corporation or limited company: it has no legal identity; its equity is held in trust, limited to certain pre-determined "purposes". As an administration and payment trust, Asigna's purpose is to meet the commitments its grantors incur in connection with their operations, either on their own behalf or for third parties.

The administration of Asigna's operating functions, such as clearing and settling trades, investing resources and monitoring risk, is carried out by the Chief Executive Officer, who is appointed by the Technical Committee and acts as Trust Delegate.

To assist the Technical Committee in its duties, there are various sub-committees, which serve as governing bodies. These are:

Audit Sub-committee

Compliance Sub-Committee

Discipline and Arbitration Sub-Committee

Admission and Risk Management Sub-Committee

Administration Sub-Committee

3.3 INCORPORATION OF CLEARING MEMBERS

As with Asigna, Clearing Members are trusts created by banks and/or brokerage firms belonging to the country's leading financial groups.

The Rules allow for the creation of two types of Clearing Members. First, those known as Proprietary Clearing Members, created by multiple-service banks or brokerage firms to settle Futures and Options Contracts exclusively for the accounts of their own institutions or brokerage firms.

Second, there are those known as Third-Party Clearing Members, created by financial institutions to settle Futures and Option Contracts for Clients or other financial institutions in their role as Brokers.

The creation of Clearing Member trusts is intended to avoid the transmission of risk from the derivatives position to the bank or parent financial institution, which would normally be the case for any other type of corporation and its subsidiaries.

As with Asigna, Clearing Members are managed through a trust delegate, appointed by their Technical Committee, and which act as the highest governing body of that trust.

3.4 REGISTRY AND CLEARING

a. Accounts and Sub-Accounts.

Trades are recorded and positions cleared by Asigna in real time. This means the Clearinghouse is continuously receiving trades from the market, and immediately updates the positions in the destination accounts accordingly. In some markets, the Clearinghouse does not receive trades until the end of the trading session.

The institutions that trade in the derivatives market are authorized to operate in the Clearinghouse through a proprietary account, a third-party account, and the required sub-accounts.

Trades are recorded at the sub-account level: in the third-party account, each sub-account corresponds to a specific client, and in the proprietary account, each sub-account corresponds to a set of trades the institution wishes to distinguish from the rest. Recording at the sub-account level is done on a net basis.

At the aggregate level--i.e., in the proprietary and third-party accounts as a whole--clearing and margining are done in gross terms. This means contributions requirements for different entities or parties cannot be offset one against the other.

Settlement is calculated at the proprietary and third party account level, but netted; meaning cash flows corresponding to different settlement items can be offset.

b. Global Accounts.

The market also allows for trading through what are called Global Accounts, managed by Clearing Members or Brokers who must abide by higher capital requirements than other Brokers (one million UDIs).

In Global Accounts, records are kept individually, and clearing, margining and settlement are netted. At the Global Account level, however, and unlike settlement, clearing and margining are gross.

In Global Accounts, depositors, together with the administrator and Clearing Member, are jointly responsible to other participants, and their contributions may be used to cover defaults by any of the other depositors. For fiscal purposes, Clearing Members withhold taxes and issue withholding certificates.

c. Accounts similar or analogous to Global Accounts in Foreign Financial Institutions.

There are different ways of clearing and margining accounts with Foreign Financial Institutions that are analogous or similar to Global Accounts. These accounts are cleared at the aggregate level, in gross form, but margining and settlement are netted.

3.5 SETTLEMENT

a. Daily Settlement

Asigna conducts a daily mark-to-market settlement process, meaning each day it updates the obligations and rights of Clearing Members.

The Daily Settlement refers to those sums of money that are requested, received and delivered every day, depending on the case, resulting from the daily valuation carried out by the Clearinghouse because of the variations in the Closing Price of every Open Contract with respect to the Closing Price of the previous business day or, depending on the case, with respect to the agreed price.

Under this scheme, credit or debit balances generated by the Clearing Members in a trading day are settled between 9:00 a.m. and 10:00 a.m. on the following day, through the Interbank Electronic Payment System (SPEI).

The following are settled on a daily basis:

a) Gains and losses resulting from a change in the Daily Settlement Price of contracts during their life and up until the expiration date.

b) The Premiums agreed on in the trading of Options Contracts.

c) The intrinsic value of the Options Contracts whose payment or settlement has been agreed by difference, by early exercise and/or assigned maturity.

d) The Minimum Initial Contributions corresponding to the Open Contracts, including the yields generated, based on the day's calculation. The calculation of the Minimum Initial Contribution will always take into account the amount of securities handed to the Clearinghouse in accordance with the valuation made by the latter.

e) The contributions for setting up the Clearing Fund, as well as the yields that these generate, based on the day's calculation.

f) The fees and commissions (including vat) for the Clearing House's services, calculated daily and settled monthly.

The total net amount due or deliverable under each of the above points makes up an individual daily balance and is paid or charged only in cash. Settlements are calculated based on the value of contributions in cash and securities held by Asigna at the time of settlement.

It's worth noting that Asigna returns 100% of the yields generated on Minimum Initial Contributions and Clearing Fund contributions to the Clearing Member who made those contributions.

The Clearing Fund is updated daily and calculated as a percentage of each Clearing Member's contribution to the Contribution Fund (10%) or the average of the previous 30 days of the Clearing Fund (whichever is larger).

In U.S. markets the Clearing Fund is updated only once a month, based on the trading volume of each Clearing Member. The movement of these funds is billed as an independent obligation and is therefore not included in reports by the Clearinghouse.

b. Extraordinary Settlement

When trading conditions for the Underlying Asset become unstable or when one or several Clearing Members considerably increase their Open Interest, Asigna may require them to reduce the Open Interest in their Accounts or to modify their Minimum Initial Contributions by means of an Extraordinary Settlement during the trading session.

Asigna executes extraordinary settlements (or what are called intraday margin calls) when it detects a situation in which fluctuations in the price of a contract generate potential losses equivalent to 75% of the Minimum Initial Contributions for the product in question. The call is made for all the products, regardless of which is the source of the extreme volatility. Clearing Members have one hour from the time they receive the call to make the corresponding settlement.

Extraordinary settlements are collected only in cash and may be required at any time during the trading session (from 7:30 a.m. to 12:45 p.m.) at the discretion of the Clearinghouse and in accordance with its extraordinary powers. Whenever there's an Extraordinary Settlement, the Clearinghouse takes into account Minimum Initial Contributions in securities on deposit to cover potential losses before making the margin call.

Extraordinary settlements are a common practice in all derivatives markets, although each market establishes the parameters that trigger a call. In Canadian markets, extraordinary settlements are executed systematically at least once a day as part of regular trading procedures.

c. Settlement at Maturity

Subject to settlement at maturity are Futures Contracts that are open at the close of trading on their Maturity Date and Options Contracts, according to the instructions of Clearing Members who have long equity strategies. Transactions are settled physically or in cash, as determined in the General Contract Conditions.

Settlement at maturity of Futures Contracts and Options Contracts on foreign currency, whose General Contract Conditions establish it, are physically settled through an agent bank with offices in the United Mexican States and in the country of origin of the currency, according to the said contract.

With regard to the above, the Clearinghouse will have a deposit account in the agent bank, which will be able to conduct the corresponding transactions efficiently and in an orderly manner and have the financial capacity to ensure delivery and receipt of the currency.

Clearing Members who trade in foreign currency Futures Contracts and Options Contracts must prove that they have opened a deposit account in the currency's country of origin.

The settlement at maturity of Futures Contract and Options Contract stock is done by physical delivery at a brokerage house so every one of the Clearing Members must have a securities account in the brokerage house, which must be able to carry out the corresponding registration operations or any other transfer mechanism approved by the Authorities on the Mexican Stock Exchange and to complete the settlement in accordance with Indeval's regulations.

Finally, the settlement of bond Futures Contracts is conducted through the delivery of the corresponding bond in the period stipulated in the General Contract Conditions, located in the Contract's last month of validity.

When a Clearing Member attempts to offer the bond mentioned in the Contract, in his own name or in that of Clients and Traders with short equity strategies, he/she must do so through the Clearinghouse's Operating Manual.

Among its processes, the Clearinghouse will choose chronologically the Long Equity Strategy or Strategies to be assigned to the purchase of the bond which is the subject of the Contract and inform the Clearing Member who will manage the chosen strategy. When there's a tie for the opening of the Long Equity Strategy, this will be chosen at random.

3.6 BROKERS

A Broker is any institution or individual authorized to trade on the Mexican Derivatives Exchange, and therefore with access to its trading systems. Brokers may be doing business for their own accounts, on behalf of third parties, or as Global Account Managers. In any of these cases, Brokers must engage a Clearing Member's services.

In trading for their own accounts or other parties, Clearing Members manage the accounts and funds of the Broker and performs the corresponding settlements. Clearing Members also make the corresponding withholding on gains in those accounts.

To keep current with Minimum Initial Contributions obligations on the Brokers' positions, Clearing Members will require in advance that the Broker submit funds above the amount required by the Clearinghouse. These funds are called Excess Minimum Initial Contributions. They are calculated as a percentage in excess of the regular minimum initial contributions requirements, according to the nature and solvency of the Broker (and, if applicable, the Client as well), and allow the Clearing Member to meet daily or extraordinary settlements with the clearinghouse. When the Clearing Member requests funds from the Broker, it takes them from the Excess. When it receives funds credited to the Broker, they are credited as Excess. If the Excess falls to below the level agreed upon with the Broker, the Clearing Member makes another request for funds, and if the Excess accumulates, the Broker may withdraw it.

When the Broker acts as a Global Account Manager, he or she may manage the Minimum Initial Contributions and therefore the Excess Minimum Initial Contributions on those accounts. However, he/she must engage the services of a Clearing Member to perform the functions restricted to Clearing Members, among them settlement with the Clearinghouse and execution of the Safety Net when necessary.

3.7 MINIMUM INITIAL CONTRIBUTIONS

The Contributions that every Clearing Member has to make to the Clearinghouse for every Open Contract are called Minimum Initial Contributions (AIMs).

We should note here that in Mexico, the words "margin" or "margins" are used in theoretic analysis, risk management, or colloquially, but in the strict legal sense, the words "Minimum Initial Contributions" are preferable.

Minimum Initial Contributions are funds delivered in advance to the Clearinghouse in order to cover pending commitments in a given account, resulting from the transactions performed. As such, they may be used immediately, in accordance with the Asigna´s Regulations and its Safety Net.

In contrast, the concept of "margin" on international markets has a number of meanings, some of them relating to credits conceded by intermediaries to trade in the cash market. This type of transaction is not authorized in the Mexican market. To sum up, the concepts of "Minimum Initial Contributions" and "Margins", when used to mean funds applicable for covering a derivatives position, are equivalent for all purposes except for legal documentation.

Although Minimum Initial Contributions are in many senses equivalent to margins, they are not equivalent to guarantees or collateral. In Mexico, the minimum initial contributions are not guarantees or collateral in the legal sense, since under Mexican law there must be a lawsuit in order for guarantees or collateral to be exercised and liquidated. If minimum initial contributions were considered to be guarantees or collateral in Mexico, it would limit the market and there would also be the risk of a potential accumulation of losses. Because of their specific legal definition, "Minimum Initial Contributions" can be immediately applied to cover obligations that arise from trading, because they were submitted for that purpose.

3.8 MARGINING MODEL OR MINIMUM INITIAL CONTRIBUTIONS DETERMINATION MODEL

a. Margining model

Asigna uses the Theoretic Intermarket Margin System (TIMS), whose purpose is to calculate the resources necessary for every one of the portfolios, with the aim of mitigating the risks associated with movements in the risk variables of Futures Contracts and Options Contracts and in consideration of the reduction in risk resulting from portfolio diversification.

TIMS organizes every kind of Fuures Contract and Options Contract related to the same underlying asset in Class Groups and in all Class Groups whose Underlying Assets maintain a strong correlation with Product Groups. The latter groups have four different components: the Minimum Initial Contribution for Delivery Positions, the Minimum Initial Contribution for Opposite Positions, the Minimum Initial Contribution for Premium and the Minimum Initial Contribution for Risk (Class Group and Product Group).

The TIMS valuation models used for options are used to determine the theoretic premiums through the simulated movements in the prices of the Underlying Assets corresponding to every one of the Option Contracts. For this purpose the Maximum Expected Variance (VME) is used as a reference, using five upside prices and five downside prices. The models generate theoretic premiums, implicit volatilities and sensibility indicators for every one of the Option Contract series, intraday and at the close of the market.

b. Maximum Expected Variation

Allows for the calculation of risk, simulating movements in the prices of the Underlying Assets. The Maximum Expected Variation is calculated by taking into consideration volatility and several other relevant statistical analyses, such as the Montecarlo simulation, historic model and parametric model for every Underlying Asset. In this way, this parameter, a basic supplier to the TIMS model, defines the potential maximum fluctuation in prices during the day, providing a specific level of confidence.

c. Minimum Initial Contributions

Minimum Initial Contributions are funds required by the Clearinghouse. They are calculated through the TIMS model and act as a guarantee of the obligations associated with open positions and contracts to be settled with physical delivery that market participants keep in their portfolio. These resources are held in Securities and/or Cash in a Contributions Fund, managed by Asigna, in accordance with the financial dispositions to be applied.

d. Individual Minimum Initial Contribution

For open future positions, this represents the funds required by contract. The concept does not apply in the case of open option positions because the funds required by contract vary in accordance with the simulation of theoretic premiums.

e. Minimum Initial Contributions for Opposite Positions

The Clearinghouse requires a Minimum Initial Contribution for Opposite Positions to cover the risk of an imperfect correlation between Short and Long Positions of a type of Futures with different maturity dates. The requirement of a Minimum Initial Contribution for Opposite Positions, after consideration of the surplus risk and compensation of Short and Long Futures Positions, is a resource of less magnitude than an Individual Minimum Initial Contribution because of the correlation between the Futures Contracts.

f. Delivery Minimum Initial Contribution

For Futures and Options Contracts which are physically settled at their maturity date the Clearinghouse requires a Delivery Minimum Initial Contribution, which must be enough to cover the risk in the period between the Maturity Date and the Settlement Date. For contracts that are settled in cash at the maturity date, this requirement does not apply.

g. Premium Minimum Initial Contribution

This contribution is required only on Option Contracts. It represents the cost of settling the Option Contracts in a Class or Product Group at the respective market prices. Considering that Long Positions obtain a right but no obligation after the premium payment, the requisite for these positions is null, the greatest risk being the total loss of the premium should the contract expire without being activated. By contrast, the Short Position assumes the AIM obligation per premium.

h. Risk Minimum Initial Contribution

The Risk Minimum Initial Contribution, that includes Futures and Options contracts, is made up of the component that covers market risk, determining the worst-case scenario in the face of a change in the prices of the Underlying Assets.

In the specific case of Futures Contracts, ten movements in the contract price are simulated: five upside and five downside, and a settlement price is obtained for each.

For Options Contracts, movements in the prices of underlying Assets are simulated to obtain ten Underlying Asset prices. Based on these prices and considering other variables, such as the 28-day risk-free interest rate, dividends, strike prices, volatility and terms of the Contract, ten prices or theoretic values are determined for the Options Contract and from these the settlement value.

i) Class Group Contributions

Asigna can form class groups with Futures and Options Contracts that have the same underlying. In the class Group potential losses on some contracts are offset by potential gains on another class. In other words, a gain that might be obtained on option contract positions could cover the potential losses in future contract positions on the same underlying.

j) Product Group Contributions

Asigna can create product groups with Futures and Options Contracts with different underlying assets but with a certain degree of correlation. In this case, the potential losses on some contracts are offset by the potential gains on contracts with an opposite position, of the same or of another underlying. In other words, gains that might be obtained on option contract positions on one underlying asset could partially cover the losses generated in future contract positions on a different but co-related asset.

3.9 COLLATERAL MANAGEMENT

Clearing Members can cover the Minimum Initial Contributions of their positions or those of their clients using securities. This is done by making entries in the securities accounts of S.D. Indeval depositors that manage the positions of Clearing Members and Asigna. The amount of the portfolio that Members have on deposit with Asigna (before the discount) is recognized in the clearing and settlement system when calculating daily or extraordinary settlements.

The securities that Asigna will accept as collateral and a table of relevant discounts (haircuts) can be seen on www.asigna.com.mx

3.10 CREDIT RATING

Asigna has credit ratings from three rating agencies: S&P, Moody's and Fitch. It has earned a rating of AAA on a general scale of equivalencies used by each. Not all the world's Clearinghouses have a risk rating.

Asigna's risk ratings, both global and local, can be seen at www.asigna.com.mx

3.11 SAFETY NET

The Safety Net used by Asigna, Compensación y Liquidación consists of a series of policies and procedures that allow the Clearinghouse to cover any potential default or loss by one of its Clearing Members and carry out its primordial function of acting as counterpart to all the trades carried out on MexDer.

a. Basic Scheme.

If a Client of a Clearing Member fails to meet some payment obligation, the Member must trigger its Safety Net to cover the outstanding balance and even the losses generated by that default.

In the Safety Net, funds are used in different levels: the existing balances under the Client's excess minimum initial contributions accounts in cash and securities; additional minimum initial contributions calls to the Clients; excess minimum equity of the Clearing Member in cash and securities, not including the minimum amount required by government authorities and Asigna under current regulations; the closure of the Client's open Contracts up to the level necessary to cover the outstanding balance, including gains generated by the closure and the return of the Contributions and Clearing Fund resources released by Asigna; and excess Minimum Equity. When all these are exhausted, Asigna considers the default to lie with the Member, and this triggers the Safety Net of Asigna, Compensación y Liquidación, which will then declare the defaulting Member under intervention and replace its management by an Execution Commissioner designated by Asigna.

Asigna's Safety Net begins with the application of resources as they become available for successive requests for funds until the total amount the Clearing Member owes to Asigna is repaid.

b. Structure.

The structure of Asigna's Safety Net establishes 6 overall fund levels that can be used. First, the Execution Commissioner designated by Asigna, and second, the Clearinghouse itself (Asigna), to cover default by any of the Clearing Members. Each of these levels in turn has a series of specific fund sources, which are used successively by the Execution Commissioner and Asigna, until the outstanding amount is completely covered. This generates a process where the risk is mutualized between all of Asigna's Clearing Members.

c. Description.

Once Asigna has declared an intervention of a defaulting Clearing Member, designating an Execution Commissioner to replace its management, the commissioner proceeds to successively draw on the funds available in up to six overall fund levels, depending on the type of Clearing Member in question (whether Proprietary or Third-Party), until the total outstanding amount is repaid. The order of these levels is as follows:

Level 1. The funds of the defaulting Client, in the case of a Third-Party Clearing Member.

Level 2: The funds of the defaulting Clearing Member.

Level 3. The funds of any other Clearing Member belonging to the same Financial Group as the defaulting Member.

Level 4. The Clearing Fund.

Level 5: Funds of Clearing Members

Level 6: The funds of Asigna

Each of these phases is executed in strict accordance with current regulatory schemes, specifically, the Internal Regulations of Asigna, Compensación y Liquidación, regulates and provides for all points relating to the executing of the Clearinghouse's Safety Net.

Procedures for mitigating a Client’s breach of contract	In cases of a Client’s breach of contract. The Clearing Member should proceed as follows: 1. Use the Surpluses of the Minimum Initial Contributions of the Client who is in breach. 2. Close the open positions of the Client who is in breach. 3. Use the Minimum Initial Contribution of the client who is in breach.
Procedures for mitigating a Global Account client’s breach of contract	In cases of a Global Account client’s breach of contract The Global Account should proceed as follows: 1. Use the Surpluses of the Minimum Initial

	Contributions of the Client who is in breach. 2. Close the open positions of the Client who is in breach. 3. Use the Minimum Initial Contribution of the client who is in breach. 4. Use the Minimum Capital of the Trader who manages the Global Account. 5. Use the Contributions of the Clients unrelated to the breach.

Procedures for mitigating a Clearing Member's breach of contract	In cases of a Clearing Member's breach of contract. Asigna will proceed as follows through a commissioner: 1. Transfer to a Clearing Member who is unrelated to the breach the funds and positions of the Clients who are unrelated to the breach. 2. Use the individual funds deposited in the Compensation Fund by the Clearing Member in breach. 3. Use the patrimony of the Clearing Member in breach. 4. In the case of a Clearing Member belonging to the same financial group Asigna will follow exactly the same procedure.
Procedures for mitigating a breach of contract by two or more Clearing Members	In cases of two or more Clearing Members' breach of contract. Asigna will proceed as follows: 1. Use the individual contributions made to the Compensation Fund by the Clearing Members unrelated to the breach. 2. Carry out the procedures to follow in the case

	of a Breach by a Clearing Member mentioned above.
Clearinghouse Patrimony	In case of breach of contract by all of the clearing members. Asigna will carry out th following procedure: 1. Asigna's Patrimony.

3.12 AUDITS

The Clearinghouse must undergo a set of internal audits by the Compliance Office and the Audit Department; an external audit by an independent firm (currently KPMG); a trust audit, which can be practised at any time on the trust institution (BBVA Bancomer); and a regular audit by the responsible authorities, in this case the National Banking and Securities Commission.

3.13 FISCAL STATUS

The tax regime that applies to participants in the derivatives market is established in the Federal Income Tax Law, the Regulation governing the same Law, and is complemented by some provisions published from time to time in the Miscellaneous Tax Rules.

The fiscal regime recognizes two general categories of derivatives products, referred to as "capital derivative transactions" and "debt derivative transactions". Capital derivative transactions include futures and options contracts whose underlying asset is an exchange-listed stock or an exchange price index. The "stock" concept includes both local and foreign stock and trackers. Futures or options contracts on foreign currency are also considered in capital derivatives transactions. Included in debt derivative transactions are futures and options contracts whose underlying asset is a government fixed-income security, a benchmark rate or a consumer price index. The latter also includes UDIs, which are calculated on the basis of a price index.

The tax regime also recognizes three types of taxpayer, with different rules for each: individuals, corporations (including individuals engaged in business activities) and foreign investors. Foreign investors in turn fall into three categories: residents of countries with which Mexico has a treaty for avoiding dual taxation; residents of countries with which Mexico has signed no such treaty; and residents of countries considered tax havens.

The Clearing Member must withhold the corresponding tax established by law and the onus for doing so is on him or her, just as it is on the taxpayer.

The Statements of Accounts issued by the Clearing Member, in which the clients' net gains and tax deductions are reported, are recognized by the fiscal authorities as proof of withholding, and this means they can legally credit the taxes paid.

a. Individuals.

Income on capital derivative transactions, on stock market indexes and shares that are settled physically, pays no withholding tax. Gains on capital derivative transactions, on stocks settled in cash or on derivative transactions whose underlying asset is a currency, are taxable so the Clearing Member must withhold a 25% tax on the monthly net income.

Losses on capital derivative transactions on stock market indexes and on shares that are physically settled are not deductible.

Losses on capital derivative transactions on shares settled in cash and losses on derivative transactions whose underlying asset is a foreign currency can be offset against the gains obtained in the same type of contract during that month.

Gains on debt derivative are taxable, so the Clearing Member must withhold 25% tax on the monthly net income.

Losses on debt derivative transactions can be used to offset gains obtained on the same type of contract during the month.

When making an annual tax statement, an individual must declare all income on debt derivative transactions and on gains from capital financial transactions settled in cash or on derivative transactions whose underlying asset is a foreign currency, deducting the amount of partial withholdings made by the Clearing Member.

b. Corporations

Income from capital derivative capital transactions and debt derivative transactions is taxable but is not liable to withholding tax.

Clearing Members do not withhold any taxes on income earned by Corporations.

When completing their annual tax statement the corporation must declare all income on capital derivative transactions and debt derivative transactions and deduct the amount of losses.

c. Foreigners

Income on capital derivative transactions, on stock market indexes, foreign currency and on shares that are physically settled, is not liable to withholding tax. Gains on capital derivative transactions, on stocks settled in cash, are taxable, and the Clearing Member must withhold a 25% tax on the gain of the transaction or 29% on the net gain for the month for residents of countries with or without dual taxation treaties and 40% of the gross income for tax haven residents.

Earnings on debt resulting from operations carried out on a recognized market (MexDer) covering government instruments (CETES, M3, M10, etc..) Or the Interbank Interest Rate Balance (TIIE), are exempt from withholding for all foreign residents. The gains in derivative transactions on debt instruments are taxed, therefore, the Clearing Member must make deductions. The retention rate is variable depending on the residence of the taxpayer. In general, one can note that for individuals, corporate entities and banks resident in countries with a treaty, the withholding tax is 4.9%; for individuals and corporations living in countries without a treaty, the withholding rate is 10% and for residents in tax havens, the retention rate is 40%

An exception to the rule is that for financing entities, pensions and retirement and foreign investment funds the withholding rate is 10% regardless of the country of residence or whatever might emerge from the particular indications contained in the corresponding dual taxation treaties.

Finally, as a result of modifications to Article 199 of the Federal Income Tax Law, the "fiscal contingency" that Clearing Members might have faced when settling transactions for foreign investors has been eliminated. Article 199 states that “clearing members are not obliged to withhold any amounts nor become jointly responsible as referred to in Article 26 of the Federal Tax Code [when] … it is impossible to identify the effective beneficiary of the gains from the financial derivative transactions referred to in the preceding paragraph because he or she resides outside the country."

d. Special Treatment

Option contracts on the 10-year Future Bond (M10) are currently being traded on the market. The contract should be treated as two products and the Clearing Member must (if it proceeds) withhold taxes when the option is exercised and then again the moment the Future Contract expires so as to avoid a fiscal contingency for Clearing Members, since the tax regime only recognizes "capital derivative transactions" and "debt derivative transactions".

http://www.mexder.com.mx/MEX/legal_framework.html

CAPITAL

<table>
<tr><th colspan="2">EQUITY</th></tr>
<tr><td>Market Profits</td><td>v Local individual Stocks
v Foreign individual stocks
v Mexican Stock Exchange Index (IPC)
v Physical Delivery or Cash Settlement
v Exchange rate</td></tr>
<tr><th>Residents in Mexico</th><th>Rate and Modality</th></tr>
<tr><td>Individuals</td><td>Without Withholding
(Art 109 frac XXVI) LISR

v Mexican Stocks
v Foreign Stocks
v Stock Indices (IPC)
v Physical Delivery or Cash Settlement

Exchange rate:
· Withholding of 25% on the monthly net gain in transactions with the same institution. (Art. 171)

· Always accumulable</td></tr>
<tr><td>Corporations</td><td>Without Withholding
Always accumulable</td></tr>
<tr><th>Foreigners</th><th>Rate and Modality</th></tr>
</table>

Individuals and Corporations	Without Withholding (Art. 190, 192 y 109 frac XXVI LISR y Art 264 LISR
DEBT	
Market Profits	v Rates v Government debt Securities v Physical Delivery or Cash Settlement
Residents in Mexico	**Rate and Modality**
Individuals	Withholding of 25% on the monthly net gain in transactions with the same institution. (Art. 171) Always accumulable. If it is settled by giving the security, the party who receives it must withhold 0.85% on capital, unless it is a tax-exempt title.
Corporations	Without Withholding Always accumulable
Foreigners	**Rate and Modality**
Individuals and Corporations	Without Withholding (Art. 199 LISR)

Notes.
(1) This table is just for informative purposes, this institution is not liable for omissions or law interpretations besides it do not involve any recommendation on purchasing or sailing decisions, it is exclusive responsibility of the reader. Any individual or corporation resident in national or foreign territory must take consulting services for a better interpretation and the correct meaning of this law to prevent dual taxation, in order to performance responsibilities.

3.14 ACCOUNTING OF OPEN INTEREST

For the purposes of public disclosure or for statistical reasons, the accounting of open positions at Asigna is conducted only on one side of the market, which is common practice in most markets, although it’s common knowledge that some markets account both sides of the market.

4. APPENDIX
SUBSCRIBER´S DECLARATION

On _________ ___, 200_, I, the undersigned, in my capacity as the Subscriber, **UNDER OATH DECLARE THAT** I have studied the *Mexican Derivatives Exchange Local Aspects Study Manual,* which is attached hereto, same that considers in general terms what is related to the Regulatory Framework and to the Operative, Clearing and Settlement Aspects, in the understanding that at all times when executing transactions on MexDer, Mercado Mexicano de Derivados, S.A. de C.V. I will be subject to, and act responsibly in compliance with, its Internal Regulations, its Manual of Policies and Procedures, the Internal Regulations of Asigna, Compensación y Liquidación and its Manual of Policies and Procedures, as well as all the other complementary Rules and Provisions issued by the Mexican authorities, accepting all the penalties for any infringement of the applicable Regulatory Framework.

Compliance Officer:	**Subscriber:**
Name:	Name:
Company:	Company:
Signature:	Signature: