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eurex clearing *circular 079/14*

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Authorized by: Heike Eckert

Foreign exchange (FX) derivatives: Introduction of various Market-Making incentive schemes

Related Eurex circulars: 105/14, 135/14

Related Eurex Clearing circulars: 067/14, 076/14

Contact: Derivatives Clearing, T +49-69-211-1 12 50, clearing@eurexclearing.com

Content may be most important for:	**Attachments:**
Ü All departments	none

Summary:

On 27 May 2014, it was announced in Eurex Clearing circular 067/14 that Eurex Clearing will offer clearing services for FX futures and FX options on six currency pairs traded on Eurex Exchange.

The circular highlights the introduction of various Market-Making incentive schemes:

- Introduction of reduced transaction fees for Market Makers in FX futures and FX options from 7 July 2014 until 31 December 2017,
- Introduction of a revenue sharing component in FX futures and FX options.

Please see Eurex circular 135/14 for details of the exact parameters of the respective schemes.

Eurex Clearing AG
Mergenthalerallee 61
65760 Eschborn
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
memberservices@eurexclearing.com
Internet:
www.eurexclearing.com

Chairman of the Supervisory Board:
Hugo Bänziger

Executive Board:
Thomas Book (CEO),
Heike Eckert, Thomas Laux,
Erik Tim Müller, Andreas Preuss

Aktiengesellschaft mit Sitz in Frankfurt/Main
HRB Nr. 44828
Amtsgericht Frankfurt/Main

Foreign exchange (FX) derivatives: Introduction of various Market-Making incentive schemes

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Market-Making incentive schemes

On 7 July 2014, the following measures of Eurex Clearing will come into effect:

1. Introduction of reduced transaction fees for Advanced Designated Market Makers in FX futures from 7 July 2014 until 31 December 2017,
2. Introduction of a long-term revenue sharing component for Market Makers in FX futures,
3. Introduction of reduced transaction fees for Advanced Market Makers in FX options from 7 July 2014 until 31 December 2017,
4. Introduction of a long-term revenue sharing component for Market Makers in FX options.

The conditions and details as well as the exact parameters of the respective schemes in the corresponding products are contained in Eurex circular 135/14.

1. Introduction of reduced transaction fees for Advanced Designated Market Makers in FX futures

Between 7 July 2014 and 31 December 2015, 100 percent of the transaction fees will be rebated on M-accounts upon fulfilment of the Market Maker obligations for Advanced Designated Market Makers in FX futures.

Between 1 January 2016 and 31 December 2017, 50 percent of the transaction fees will be rebated on M-accounts upon fulfilment of the Advanced Designated Market Maker obligations in FX futures.

Between 7 July 2014 and 31 December 2014, 100 percent of the transaction fees for EFP trades will be rebated on M-accounts upon fulfilment of the Market Maker obligations in FX futures.

2. Introduction of a revenue sharing component for Market Makers in FX futures

Upon fulfilment of the respective obligations, revenue sharing will be granted between 2014 and 2017 from the defined pool of revenues of FX futures. The detailed parameters of the revenue sharing scheme are contained in attachment 1 of Eurex circular 135/14.

3. Introduction of reduced transaction fees for Advanced Market Makers in FX options

Between 7 July 2014 and 31 December 2015, 100 percent of the transaction fees will be rebated on M-accounts upon fulfilment of the Market Maker obligations for Advanced Market Makers in FX options.

Between 1 January 2016 and 31 December 2017, 50 percent of the transaction fees will be rebated on M-accounts upon fulfilment of the Market Maker obligations for Advanced Market Makers in FX options.

4. Introduction of a long-term revenue sharing component for Market Makers in FX options

Upon fulfilment of the respective obligations, revenue sharing will be granted between 2014 and 2017 from the defined pool of revenues of FX options. The detailed parameters of the revenue sharing scheme are contained in attachment 3 of Eurex circular 135/14.

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