X-pand into the Future

e u r e x *circular 034/13*

Date: 1 March 2013
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors
Senders: 1. Eurex Deutschland and Eurex Zürich
2. Eurex Clearing AG
Authorized by: Peter Reitz

MSCI index derivatives: Incentives for promotion of liquidity

Related Eurex circular: 031/13

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Content may be most important for:

Ü All departments

Attachments:

1. Designated Market Maker Scheme for MSCI Index Futures – Quote Obligations
2. Application Form – Designated Market-Making for MSCI Index Futures
3. Application Form – Revenue Sharing Scheme for MSCI Index Futures
4. Application Form – Revenue Sharing Scheme for MSCI Options
5. Application Form – Broker List

Summary:

In order to promote liquidity in MSCI index futures and options, the Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided several measures:

Management Boards of the Eurex Exchanges:

- Introduction of Designated Market-Making for MSCI index futures and Permanent Market-Making for MSCI index options

Executive Board of Eurex Clearing AG:

- Reduction of transaction fees for Market Makers in MSCI index derivatives until **31 December 2014**
- Introduction of a revenue sharing scheme for Designated Market Makers in MSCI index futures and Permanent Market Makers in MSCI index options until **31 December 2014**
- Reduction of fees for OTC transactions in MSCI index futures until **31 December 2013**
- Waiver of transaction fees for MSCI index futures and MSCI index options until **30 June 2013**.

MSCI index derivatives: Incentives for promotion of liquidity

In order to promote liquidity in MSCI index futures and options, the Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided several measures:

Management Boards of the Eurex Exchanges:

- Introduction of Designated Market-Making for MSCI index futures and Permanent Market-Making for MSCI index options

Executive Board of Eurex Clearing AG:

- Reduction of transaction fees for Market Makers in MSCI index derivatives until 31 December 2014
- Introduction of a revenue sharing scheme for Designated Market Makers in MSCI index futures and Permanent Market Makers for MSCI index options until 31 December 2014
- Reduction of fees for OTC transactions in MSCI index futures until 31 December 2013
- Waiver of transaction fees for MSCI index futures and MSCI index options until 30 June 2013.

1. Market-Making in MSCI index futures and options

Eurex offers interested participants to take part in Market-Making for the new and existing MSCI index futures contracts and index options contracts.

As Designated Market Maker (DMM) in index futures respectively Permanent Market Maker (PMM) in index options contracts, Eurex participants undertake to provide quotes on the bid and ask side for a specified minimum number of contracts while observing maximum spreads and a predefined quotation period.

In return, Eurex will grant its DMMs a 75 percent refund of transaction fees for all transactions executed on M-Accounts up to and including 31 December 2013 and a 50 percent refund from 1 January until 31 December 2014. PMMs will be granted a 55 percent refund of transaction fees for all transactions executed on M-Accounts up to and including 31 December 2014. Refunds will be granted on a monthly basis, provided the Market Maker obligations were fulfilled.

a) Designated Market-Making in MSCI index futures

The obligations are as follows:

Equity index futures on	**Eurex product code**	**Minimum quote size**	**Maximum spread**	**Minimum quote duration**	**Contract months to be quoted**
		Contracts on bid and ask side	In basis points		
MSCI Europe	FMEU	50	20	80 percent of trading hours between 09:00 CET and 17:30 CET (monthly average)	First contract month (five trading days before expiration date, optionally the first and/or the second contract month)
MSCI World	FMWO	20	30		
MSCI AC Asia Pacific ex Japan	FMAS	20	50		
MSCI Frontier M.	FMFM	50	100		
MSCI Japan	FMJP	20	40		
MSCI Russia	FMRU	75	50		

During the Fast Market phase the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

The DMM scheme obligations are also contained in attachment 1.

b) Permanent Market-Making in MSCI index options

Permanent Market-Making at Eurex consists of continuous quotation of a series of strike prices for a pre-defined number of expirations (the maturity range). Continuous quotation must cover 85 percent of the trading hours between 09:00 CET and 17:30 CET per calendar month on each exchange trading day (on a monthly average). PMMs in MSCI index options are obliged to quote calls and puts in five strike prices (i. e. a total of ten series) out of a window of seven strike prices nearest to the current index price within the maturity range. Quote obligations for MSCI index options include the first six expiration months (lifetime up to one year). Currently, no quote requests have to be answered.

Further obligations are as follows:

Equity index options on	**Eurex product code**	**Minimum quote size**	**Maximum spread**	
		Contracts on bid and ask side	Bid price up to	Spread
MSCI Europe	OMEU	50	0 – 5.3	0.8 index points
			5.4 – 53.3	15.0 percent
			> 53.3	8.0 index points
MSCI World	OMWO	20	0 – 13.3	2.0 index points
			13.4 – 133.3	15.0 percent
			> 133.3	20.0 index points
MSCI AC Asia Pacific ex Japan	OMAS	20	0 – 5.3	1.1 index points
			5.4 – 53.3	20.0 percent
			> 53.3	10.7 index points
MSCI Russia	OMRU	75	0 – 5.3	1.1 index points
			5.4 – 53.3	20.0 percent
			> 53.3	10.7 index points

During the Fast Market phase the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

As of start of trading, the Quote Obligations will be available on the Eurex website www.eurexchange.com for download under the following path:

Trading > Market model > Market-Making > Market Maker obligations

The application for Designated Market-Making in for MSCI index futures is contained in attachment 2. Submitting an application for Permanent Market-Making in MSCI index options is not required.

2. Revenue Sharing Schemes for Designated Market Makers and Permanent Market Makers

In addition, Designated Market Makers and Permanent Market Makers can participate in a revenue sharing scheme running until 31 December 2014 for the corresponding product.

The conditions of the revenue sharing scheme are as follows:

- The share in revenue is 30 percent of the net revenues generated in index futures respectively index options on the MSCI indexes, whereby each product is considered separately.
- The revenue sharing scheme will run until 31 December 2014.
- Distribution takes place on a monthly basis to the eligible Market Makers. Please refer to the application for the revenue sharing scheme (attachments 3 and 4) for the detailed requirements and revenue allocation.
- The amounts distributed are dependent on the overall volume of order book transactions generated by the Market Maker in the corresponding product on the M-Account.
- Market Makers who applied for the revenue sharing scheme and fulfil the obligations for a particular product on a monthly basis, remain in the revenue sharing scheme as long as they fulfil the quote obligations (until 31 December 2013).

Please note that only Market Makers who applied in writing will be considered in the scheme. Application forms for index futures and index options can be found in attachments 3 and 4.

3. Reduction of fees for OTC transactions in MSCI index futures

To support build-up of open interest in MSCI index futures during the first weeks of trading and the rolling activities later on, the fees for off-exchange transactions for all maturities/expirations will be reduced by 33 percent between 1 July and 31 December 2013. Thereby, the same fees will be charged for OTC transactions as for order book transactions during this period. This is valid for the new products as well as for the products on the MSCI Russia and Japan already listed.

4. Waiver of transaction fees for MSCI index futures and options

To further increase attractiveness and to support cost-effective build-up of open interest in MSCI index futures and options, transaction fees for MSCI index futures and options will be waived between 11 March and 30 June 2013, including. This is valid for the new products as well as for the products on the MSCI Russia and Japan already listed.

5. Designated Broker list

Eurex offers interested market participants to register as Designated Broker for MSCI index futures and options. This offer addresses especially those market participants who do not permanently quote in the order book but are available as contact persons for off-exchange transactions. Eurex will publish the names of the Designated Brokers. The application form Designated Broker for MSCI index futures and options can be found in attachment 5.

1 March 2013

Designated Market Maker Scheme for MSCI Europe Index Futures

Quote Obligations

Eurex Product Code:	**FMEU**
Minimum Size:	**50** contracts on the bid and ask side, only in the series with the nearest expiration (up to three months) until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the next contract month.
Maximum Spread:	**20** basis points (based on bid price) The spread classification will be reviewed on a monthly basis.
Quotation Period:	80 percent of the trading period from 09:00 CET to 17:30 CET on a monthly average.
Designated Market Maker Fees:	11 March 2013 up to 31 December 2013 refund of 75 percent of transaction fees for contracts traded on M-Accounts. 1 January 2014 up to 31 December 2014 refund of 50 percent of transaction fees for contracts traded on M-Accounts.

Designated Market Maker Scheme for MSCI World Index Futures

Quote Obligations

Eurex Product Code:	**FMWO**
Minimum Size:	**20** contracts on the bid and ask side, only in the series with the nearest expiration (up to three months) until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the next contract month.
Maximum Spread:	**30** basis points (based on bid price) The spread classification will be reviewed on a monthly basis.
Quotation Period:	80 percent of the trading period from 09:00 CET to 17:30 CET on a monthly average.
Designated Market Maker Fees:	11 March 2013 up to 31 December 2013 refund of 75 percent of the trading and clearing fees for contracts traded on M-Accounts. 1 January 2014 up to 31 December 2014 refund of 50 percent of the trading and clearing fees for contracts traded on M-Accounts.

Designated Market Maker Scheme for MSCI AC Asia Pacific Futures

Quote Obligations

Eurex Product Code:	**FMAS**
Minimum Size:	**20** contracts on the bid and ask side, only in the series with the nearest expiration (up to three months) until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the next contract month.
Maximum Spread:	**50** basis points (based on bid price) The spread classification will be reviewed on a monthly basis.
Quotation Period:	80 percent of the trading period from 09:00 CET to 17:30 CET on a monthly average.
Designated Market Maker Fees:	11 March 2013 up to 31 December 2013 refund of 75 percent of the trading and clearing fees for contracts traded on M-Accounts. 1 January 2014 up to 31 December 2014 refund of 50 percent of the trading and clearing fees for contracts traded on M-Accounts.

Designated Market Maker Scheme for MSCI Frontier Markets Futures

Quote Obligations

Eurex Product Code:	**FMFM**
Minimum Size:	**50** contracts on the bid and ask side, only in the series with the nearest expiration (up to three months) until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the next contract month.
Maximum Spread:	**100** basis points (based on bid price) The spread classification will be reviewed on a monthly basis.
Quotation Period:	80 percent of the trading period from 09:00 CET to 17:30 CET on a monthly average.
Designated Market Maker Fees:	11 March 2013 up to 31 December 2013 refund of 75 percent of transaction fees for contracts traded on M-Accounts. 1 January 2014 up to 31 December 2014 refund of 50 percent of transaction fees for contracts traded on M-Accounts.

Designated Market Maker Scheme for MSCI Japan Futures

Quote Obligations

Eurex Product Code:	**FMJP**
Minimum Size:	**20** contracts on the bid and ask side, only in the series with the nearest expiration (up to three months) until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the next contract month.
Maximum Spread:	**40** basis points (based on bid price) The spread classification will be reviewed on a monthly basis.
Quotation Period:	80 percent of the trading period from 09:00 CET to 17:30 CET on a monthly average.
Designated Market Maker Fees:	11 March 2013 up to 31 December 2013 refund of 75 percent of the trading and clearing fees for contracts traded on M-Accounts. 1 January 2014 up to 31 December 2014 refund of 50 percent of transaction fees for contracts traded on M-Accounts.

Designated Market Maker Scheme for MSCI Russia Futures

Quote Obligations

Eurex Product Code:	**FMRU**
Minimum Size:	**75** contracts on the bid and ask side, only in the series with the nearest expiration (up to three months) until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the next contract month.
Maximum Spread:	**50** basis points (based on bid price) The spread classification will be reviewed on a monthly basis.
Quotation Period:	80 percent of the trading period from 09:00 CET to 17:30 CET on a monthly average.
Designated Market Maker Fees:	11 March 2013 up to 31 December 2013 refund of 75 percent of transaction fees for contracts traded on M-Accounts. 1 January 2014 up to 31 December 2014 refund of 50 percent of transaction fees for contracts traded on M-Accounts.

Application Form – Designated Market-Making for MSCI Index Futures

Eurex Frankfurt AG
Product Development
Ralf Huesmann

D-60485 Frankfurt am Main

Fax no.: +49-69-211-61 54 43

Application for the Status of Designated Market Maker in Futures on MSCI Indexes

1. We, _____,
(name of firm, member ID)

herewith apply for the status of Designated Market Maker in

Product	**Eurex product code**	**Please tick (Ö) the appropriate box**
MSCI Europe Futures	FMEU	
MSCI World Futures	FMWO	
MSCI AC Asia Pacific ex Japan Futures	FMAS	
MSCI Frontier Markets Futures	FMFM	
MSCI Japan Futures	FMJP	
MSCI Russia Futures	FMRU	

for the period from 11 March 2013 until 31 December 2014 in accordance with the terms and conditions stated in the Quote Obligations.

2. As a Designated Market Maker (DMM)

   a) we will provide bid and ask quotes on both sides of the market

   - of the minimum number of contracts specified in the Quote Obligations
   - in compliance with the Maximum Spreads (see Quote Obligations); and
   - for the period of time specified in the Quote Obligations (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract and in response to quote requests)

b) we will give you the name of a manager who has the authorization and expertise necessary to take decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;

c) we will ensure that a Eurex trading screen and a qualified trader are available for Designated Market Making; and

d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfill these obligations.

3. Eurex will in return

a) mention the name of the Eurex participant with the DMM status in advertising and informative material in connection with the contracts;

b) make Eurex speakers and printed material available for seminars organized by the DMMs regarding the MSCI Index Futures; and

c) refund 75 percent of transaction fees for the contracts traded by the DMMs on M-Accounts up to 31 December 2013 and refund 50 percent of transaction fees for the contracts traded by the DMMs on M-Accounts up to 31 December 2014. The refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made for contracts traded on A- or P-Accounts or if the Quote Obligations are not fulfilled.

4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex.

In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to terminate the admission and to publicly disclose the termination of the Designated Market Maker status at Eurex's discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this admission with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Quote Obligations.

6. Eurex shall have the right to amend or expand one or more of the conditions laid down in this application for limited periods of time at its sole discretion with validity for all Designated Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more conditions, the DMMs must, for their part, ensure that the DMMs can also be promptly advised that this situation has ceased to exist.

7. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the Designated Market Maker status, which expires on 31 December 2014. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

8. The associated Quote Obligations are an integral part of this application.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

_____	_____
Name	Position
_____	_____
Phone	Fax
_____	
Place, date	
_____	_____
(Signature / Stamp of the company)	E-mail address

Please send the completed application for the status of Designated Market Maker to the fax number stated on page 1.

Application Form – Revenue Sharing Scheme for MSCI Index Futures

Eurex Clearing AG
Attention:
Ralf Huesmann

D-60485 Frankfurt/Main

Fax no. +49-69-211-61 54 43

Application for Participation in the Revenue Sharing Scheme for Futures on MSCI Indexes

1. We, _____,
(name of firm, member ID)

herewith apply for participation in the revenue sharing scheme in

Product	**Eurex product code**	**Please tick (Ö) the appropriate box**
MSCI Europe Futures	FMEU	
MSCI World Futures	FMWO	
MSCI AC Asia Pacific ex Japan Futures	FMAS	
MSCI Frontier Markets Futures	FMFM	
MSCI Japan Futures	FMJP	
MSCI Russia Futures	FMRU	

for the period from 11 March 2013 until 31 December 2014 (commitment period) in accordance with the terms and conditions stated in the Quote Obligations (No. 7).

2. As a Designated Market Maker (DMM)

a) we will provide bid and ask prices in compliance with:

- the minimum number of contracts,
- the maximum spreads,
- the period of time specified (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract), and
- for the defined contract months

as specified in the Quote Obligations.

b) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;

c) we will ensure that technical and personnel resources are available for market-making; and

d) we will inform Eurex within one business day in the event that we find ourselves temporarily not in a position to fulfill these obligations.

3. In return

a) Eurex will mention the name of the Eurex participant with the DMM status in advertising and informative material in connection with the contracts, if applicable;

b) Eurex will supply speakers and printed material for seminars organized by the DMM regarding MSCI index derivatives, provided the necessary resources are available.

c) DMMs can participate in the following revenue sharing scheme:

- DMMs who participate in the revenue sharing scheme are entitled to receive up to 30 percent of the net revenues (transaction fees minus Designated Market Maker rebates) that are generated in the respective MSCI index future. 20 percent of the revenue share will be equally distributed amongst the qualifying Market Makers and the other 10 percent of the amount will be determined as the ratio of the trading volume of one single Market Maker out of the total trading volume of the qualifying Market Makers. The volumes consist of contracts traded at Eurex (order book only), in the M-Account.
- The maximum number of Designated Market Makers receiving revenue sharing is generally limited to five per month. If not more than five fulfill in a certain month, those will share the 30 percent.
- If more than five fulfill in a certain month, it is checked which ones have already fulfilled the month before. If less than five fulfilled in the month before, i.e. additional slots were still available and all new starters will benefit from the revenue sharing, bringing the total number of Market Makers, at least temporarily, to a higher figure than five. If five or more already fulfilled in the month before, i.e. no additional slots were available, only those who fulfilled again will receive revenue sharing. The mechanism to define the participating DMMs applies at least up until 31 December 2013.

d) In addition, Eurex will refund 75 percent of all trading and clearing fees for the respective MSCI Futures contract traded by the DMMs on the M-Account up to 31 December 2013 and 50 percent of all trading and clearing fees for the respective MSCI Futures contract traded by the DMMs on the M-Account up to 31 December 2014. The refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made if the mentioned contracts are traded on A- or P-Accounts or if the Quote Obligations are not fulfilled.

4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex. In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to terminate the admission to the revenue sharing scheme and to publicly disclose the termination of the DMM status at Eurex's discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. Eurex shall have the right to amend or expand one or more of the conditions laid down in this application for limited periods of time at its sole discretion with validity for all DMMs, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more conditions, the DMMs must, for their part, ensure that the DMMs can also be promptly advised that this situation has ceased to exist.

6. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the Designated Market Maker status, which expires on 31 December 2014. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

7. Quote Obligations

   - DMMs commit to quote MSCI index futures. The quotes should represent a minimum number of contracts quoted with a maximum spread.
   - The following obligations will apply:
   - The maximum spread will be 20 bps (FMEU), 30 bps (FMWO), 40 bps (FMJP), 50 bps (FMAS, FMRU) or 100 bps (FMFM) of the futures' bid price.
   - The minimum size on each side is 20 contracts (FMWO, FMAS, FMJP), 50 contracts (FMEU, FMFM) or 75 contracts (FMRU).
   - The quotation period will be at least 80 percent of the daily trading hours between 09:00 CET and 17:30 CET on a monthly average.
   - The contract month to be quoted is the series with the nearest expiration (up to three months) until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the next contract month.

8. Exclusively the law of the Federal Republic of Germany applies to this agreement. Sole place of jurisdiction for all disputes in connection with this agreement is Frankfurt am Main.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

_____
Name / Address of company

_____ _____
Name of the Representative Position

_____ _____
Phone Fax

_____
Place, date

_____ _____
(Signature / Stamp of the company) E-mail address

Please send the completed application for the status of Market Maker to the fax number stated on page 1.

Application Form – Revenue Sharing Scheme for MSCI Options

Eurex Clearing AG
Attention: Ralf Huesmann

D-60485 Frankfurt/Main

Fax no. +49-69-211-61 54 43

Application for Participation in the Revenue Sharing Scheme for Options on MSCI

1. We, _____,
(name of firm, member ID)

herewith apply for participation in the revenue sharing scheme in

Product	**Eurex product code**	**Please tick (ö) the appropriate box**
MSCI Europe Options	OMEU	
MSCI World Options	OMWO	
MSCI AC Asia Pacific ex Japan Options	OMAS	
MSCI Russia Options	OMRU	

for the period from 11 March 2013 until 31 December 2014 (commitment period) in accordance with the terms and conditions stated in the Quote Obligations (No. 6).

2. As a Permanent Market Maker (PMM)

a) we will provide bid and ask prices in compliance with:

- the minimum number of contracts,
- the maximum spreads,
- the period of time specified (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract), and
- for the defined contract months

as specified in the Quote Obligations.

b) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;

c) we will ensure that technical and personnel resources are available for Market-Making; and

d) we will inform Eurex within one business day in the event that we find ourselves temporarily not in a position to fulfill these obligations.

3. In return

a) Eurex will mention the name of the Eurex participant with the Permanent Market Maker status in advertising and informative material in connection with the contracts, if applicable;

b) Eurex will supply speakers and printed material for seminars organized by the Permanent Market Makers regarding MSCI index options, provided the necessary resources are available.

c) PMMs can participate in the following revenue sharing scheme:

- PMMs who participate in the revenue sharing scheme are entitled to receive up to 30 percent of the net revenues (transaction fees minus Permanent Market Maker rebates) that are generated in the respective MSCI index option. 20 percent of the revenue share will be equally distributed amongst the qualifying Market Makers and the other 10 percent of the amount will be determined as the ratio of the trading volume of one single Market Maker out of the total trading volume of the qualifying Market Makers. The volumes consist of contracts traded at Eurex (order book only), in the M-Account.
- The maximum number of Permanent Market Makers receiving revenue sharing is generally limited to five per month. If not more than five fulfill in a certain month, those will share the 30 percent.
- If more than five fulfill in a certain month, it is checked which ones have already fulfilled the month before. If less than five fulfilled in the month before, i.e. additional slots were still available and all new starters will benefit from the revenue sharing, bringing the total number of Market Makers, at least temporarily, to a higher figure than five. If five or more already fulfilled in the month before, i.e. no additional slots were available, only those who fulfilled again will receive revenue sharing. The mechanism to define the participating PMMs applies at least up until 31 December 2013.

d) In addition, Eurex will refund 55 percent of all trading and clearing fees for the respective MSCI Options contract traded by the PMMs on the M-Account (within the framework of the Permanent Market Maker Obligations). The refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made if the mentioned contracts are traded on A- or P-Accounts or if the Quote Obligations are not fulfilled.

4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex. In the event that the obligations stated under No. 2 are not met by us, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. Eurex shall have the right to amend or expand one or more of the conditions laid down in this application for limited periods of time at its sole discretion with validity for all Permanent Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more conditions, the Permanent Market Makers must, for their part, ensure that the Permanent Market Makers can also be promptly advised that this situation has ceased to exist.

6. Quote Obligations

   - Permanent Market Makers commit to quote MSCI index options. The quotes should represent a minimum number of contracts quoted with a maximum spread.
   - For MSCI index options the obligations for Permanent Market Maker as published in the Market Maker Obligations will apply. They are available for download under the following path:

     www.eurexchange.com > Trading > Market model > Market-Making > Market Maker obligations

7. Exclusively the law of the Federal Republic of Germany applies to this agreement. Sole place of jurisdiction for all disputes in connection with this agreement is Frankfurt am Main.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

_____
Name / Address of company

_____ _____
Name of the Representative Position

_____ _____
Phone Fax

_____
Place, date

_____ _____
(Signature / Stamp of the company) E-mail address

Please send the completed application for the status of Market Maker to the fax number stated on page 1.

Application Form – Registration as Designated Broker for MSCI Derivatives

Eurex Frankfurt AG
Attention: Ralf Huesmann

D-60485 Frankfurt/Main

Fax no. +49-69-211-61 54 43

Application for Publication on Designated Broker list for MSCI products at Eurex

1. We, _____,
(name of firm, member ID)

herewith apply for participation for the publication on the Designated Broker list for MSCI products at Eurex. The following contact details should be published:

(please tick box which products apply per contact person)

Contact person	Telephone	MSCI World (Fut)	MSCI World (Opt)	MSCI Europe (Fut)	MSCI Europe (Opt)	MSCI AP x Jp (Fut)	MSCI AP x Jp (Opt)	MSCI Front. M. (Fut)	MSCI Russia (Fut)	MSCI Russia (Opt)	MSCI Japan (Fut)

2. As a Designated Broker

   a) we will be able and willing to facilitate trades in MSCI derivatives on Eurex;

   b) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;

   c) we will ensure that technical and personnel resources are available to act as a Designated Broker; and

   d) we will inform Eurex within one business day in the event that we find ourselves temporarily not in a position to fulfill these obligations.

3. In return

   a) Eurex will mention the name of the Eurex participant with the Designated Broker status in advertising and informative material in connection with the contracts, if applicable;

   b) Eurex will supply speakers and printed material for seminars organized by the Designated Brokers regarding MSCI derivatives, provided the necessary resources are available.

4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex. In the event that the obligations stated under No. 2 are not met by us, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. Eurex shall have the right to amend or expand one or more of the conditions laid down in this application for limited periods of time at its sole discretion with validity for all Designated Brokers, if it deems this appropriate. In the event that Eurex amends or expands one or more conditions, it shall notify the Designated Brokers thereof.

6. Exclusively the law of the Federal Republic of Germany applies to this agreement. Sole place of jurisdiction for all disputes in connection with this agreement is Frankfurt am Main.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

_____
Name / Address of company

_____ _____
Name of the Representative Position

_____ _____
Phone Fax

_____
Place, date

_____ _____
(Signature / Stamp of the company) E-mail address

Please send the completed application for the status of Designated Broker to the fax number stated on page 1.