X-pand into the Future

e u r e x *circular 106/14*

Date: 27 May 2014
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

High priority

Money Market Derivatives: Introduction of cash-settled One-Month EUR Secured Funding Futures based on the STOXX® GC Pooling EUR Deferred Funding Rate

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Content may be most important for:

Ü All departments

Attachments:

1. Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Market-Making scheme
3. Eurex Clearing circular 068/14

Summary:

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to introduce cash-settled money market derivatives based on short-term repo transactions executed on Eurex Repo's GC Pooling® market as determined by the STOXX® GC Pooling EUR Deferred Funding Rate effective on **10 September 2014**.

This circular contains all information on the introduction of the new product as well as the updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich. Information on clearing of the new product and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG are contained in Eurex Clearing circular 068/14, which we are providing to our Trading Participants as attachment 3.

Money Market Derivatives: Introduction of cash-settled One-Month EUR Secured Funding Futures based on the STOXX® GC Pooling EUR Deferred Funding Rate

1. Introduction date

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to introduce the first Pan-European futures contract on euro secured (collateralised) interest rates as specified below with effect from 10 September 2014.

By introducing a money market futures contract based on the interest rate paid on short-term repo transactions on Eurex Repo's regulated GC Pooling® market, Eurex Exchange is complementing its existing offering for the euro yield curve.

The new futures will be tradable alongside the Eurex Exchange´s current offering of futures on Eonia and Euribor interest rates. Together with the EUR fixed income futures on German, French and Italian government bonds, Eurex Exchange is now able to offer the whole euro secured and unsecured interest rate curve to its clients.

Thus, the European interest rate market will benefit from an additional efficient and cost-effective hedging instrument at Eurex Exchange. The introduction of the futures contracts will be supported by a Market-Making programme.

To implement this decision, Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be amended as specified in attachment 1 with effect from 10 September 2014.

2. Product codes

Eurex product			**Underlying instrument**		
Future	**Product code**	**ISIN**	**ISIN**	**Bloomberg**	**Reuters**
One-Month EUR Secured Funding Futures	FLIC	DE000A1YD7E8	DE000A1X21E8	SGCPDFR Index	.STXGCPDFR

3. Contract specifications

For the detailed contract specifications please see attachment 1.

Underlying instrument	STOXX® GC Pooling EUR Deferred Funding Rate
Eurex product code	FLIC
ISIN	DE000A1YD7E8
Contract value	EUR 1,000,000
Settlement	Contracts are cash-settled, payable on the first exchange trading day following the final settlement day.
Price determination	Price determination is in percent, with three decimal places, expressed as 100 minus the traded compounded average STOXX® GC Pooling EUR Deferred Funding Rate over the respective European Central Bank (ECB) Reserve Maintenance Period.
Minimum price change	0.005 percent
Tick Value	EUR 3.89

Contract period	The twelve nearest ECB Reserve Maintenance Periods (MP), i.e. MP1…. MP12, with one contract per MP. The exact dates are determined by the ECB and published on their website. A subsequent modification of the maintenance period dates by ECB shall be of no consequence to the determination of the interest observation period; the originally published calendar shall apply exclusively.
Daily settlement price	The daily settlement price for the current maturity month of One-Month EUR Secured Funding Futures is derived from the volume-weighted average of the prices of all transactions concluded within the minute preceding 18:00 CET (reference time), provided more then five trades were concluded within this period. For the remaining maturity months, the daily settlement price for a contract is determined in accordance with the average bid/ask spread of the combined order book. Please refer to the Clearing Conditions for Eurex Clearing AG for further details
Final settlement price	On the last trading day, Eurex Exchange determines the final settlement price at 19:00 CET. It is based on the compounded average of the STOXX® GC Pooling EUR Deferred Funding Rate as calculated by STOXX® on a daily basis for the duration of the respective ECB Reserve Maintenance Period. The final settlement price ("FSP") is determined by the following formula: $FSP=100-\left[\left[\frac{360}{N}\left(\prod_{i=1}^{M}\left(1+\frac{F_i*w_i}{360}\right)-1\right)\right]*100\right]$ M = number of observations of the STOXX® GC Pooling Deferred EUR Funding Rate in the accrual period N = number of calendar days in the accrual period F_i= the ith STOXX® GC Pooling Deferred EUR Funding Rate (in percent) in the accrual period w_i = the number of days that F_i is applied for, i.e. w_i represents the calendar days between the publication of the STOXX® GC Pooling Deferred EUR Funding Rate on day i and the next day when a STOXX® GC Pooling Deferred EUR Funding Rate is published The final settlement price is rounded to three decimal places.
Last trading day/ Final settlement day	The last trading day shall be the final settlement day. The final settlement day shall be the last day of the respective ECB reserve maintenance period provided the STOXX® GC Pooling EUR Deferred Funding Rate will be calculated on that day, otherwise it shall be the exchange trading day immediately preceding that day. Close of trading for expiring series: 18:00 CET.

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be published on the Eurex website www.eurexchange.com as of start of trading under:

Resources > Rules and Regulations > Contract specifications

4. Trading hours (all times CET)

Trading hours of EUR Secured Funding Futures are as follows:

Product	Product code	Pre-Trading Period	Continuous Trading	Post-Trading Full Period	Block-Trading	Last Trading Day
EUR Secured Funding Futures	FLIC	07:30 – 08:00	08:00 – 18:00	18:00 – 19:00	08:00 – 18:00	18:00

5. Trading calendar

The exact trading days can be found in the trading calendar which will be published as of start of trading on the Eurex website www.eurexchange.com under the link:

Trading > Trading calendar

6. Utilization of the Wholesale Facilities

One-Month EUR Secured Funding Futures are admitted to the Exchange for Physicals (EEP-Fin Trade Facility), Exchange for Swaps (EFS Trade Facility) and Block Trades (Block Trade Facility) functionalities.

The minimum number of tradable contracts for the use of the Block Trade Facility is 300 contracts.

The Conditions for Utilization of the OTC Trade Entry Facilities were amended accordingly. Please refer to attachment 3 for further details.

Participants who are already registered for Block-Trading may use the respective functions for the new futures without any further action.

Participants wishing to use the Wholesale Facilities for the first time should confirm their acceptance of the Conditions for Utilization by signing the appropriate form and returning it to Eurex Exchange. In addition, in the case of Non-Clearing Members, the General Clearing Member must sign and return the Declaration - Agreement of the General Clearer for the Utilization of the OTC Trade Entry Facilities at the same time. The necessary forms can be found on the Eurex website www.eurexchange.com under the following link:

Resources > Forms > OTC Trade Entry

7. Transaction fees

Contract	Currency	Standard fee per contract P-accounts	Standard fee per contract A-accounts
On-exchange transactions			
One-Month EUR Secured Funding Futures	EUR	0.20	0.40
OTC transactions			
One-Month EUR Secured Funding Futures	EUR	0.30	0.60

For further details, please refer to the current Price List for Eurex Clearing on the Eurex website under the link:

Resources > Rules and Regulations > Price list

8. Market-Making

Eurex Exchange will offer interested Trading Participants the possibility to act as Market Makers for the new One-Month EUR Secured Funding Futures. As Market Makers, Eurex Trading Participants agree to supply bid and ask prices (quotes) for a determined minimum number of contracts during a predefined quotation period while adhering to predefined spreads on a monthly basis.

Two schemes will be available for all interested Participants until 31 December 2015. A market maker will need to fulfil at least one of the schemes over a calendar month in order to benefit from any fee waivers and potentially revenue sharing. Please see attachment 2 for details.

Please note: Since the amendments to the rules and regulations in relation to Market-Making communicated with Eurex circular 083/07 came into effect, formal application for Market-Making has no longer been required.

Nevertheless, we kindly ask interested Trading Participants to contact the persons in charge at Eurex Product Development, Frank Odendall or Joachim Heinz, together with their Eurex Member-ID for registration and enablement of monitoring.

9. Risk parameters

As of start of trading, risk parameters for the new instrument will be published on the Eurex website under the link:

Market data > Clearing data > Risk parameters and initial margins

10. Data vendor codes

At start of trading, vendor codes for the new instrument will be published on the Eurex website under the link:

Products > Vendor Product Codes

11. Excessive System Usage Fees and Order to Trade Ratios

The One-Month EUR Secured Funding Futures will belong to the product group “Money Market Futures”. Therefore, the limit parameters for "Money Market Futures" will be applicable. Eurex Exchange will monitor the appropriateness of these limit parameters for the One-Month EUR Secured Funding Futures. Based on the observations, if necessary, new limit parameters will be introduced for One-Month EUR Secured Funding Futures.

As of start of trading, limit parameters for the futures will be published on the Eurex website under the link:

Technology > Excessive System Usage Fee

and

Technology > Order to Trade Ratio

For further information on excessive system usage fees and order-to-trade ratios please refer to Eurex circulars 212/13 and 213/13.

If you have any questions, require further information or if you are interested in Market-Making in these contracts, please contact Frank Odendall on tel. +44-207-86-2 70 18, or e-mail frank.odendall@eurexchange.com.

27 May 2014

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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1. Part: Contract Specifications for Futures Contracts

1.1 Subpart Contract Specifications for Money Market Futures Contracts

The following subpart contains contract specifications for futures contracts on the interest rate for three-month cash deposits in Euro (Three-Month EURIBOR Futures), futures contracts on the monthly average of the effective interest rates for overnight inter-bank deposits EONIA (One-Month EONIA futures) and futures contracts on the average of the effective interest rates on GC Pooling repo transactions as determined by the STOXX GC Pooling Deferred EUR Funding Rate (One-Month EUR Secured Funding Futures) for the respective reserve maintenance period of the European Central Bank ("ECB") which are hereafter referred to as "Money market futures contracts".

1.1.1 Subject Matter of Contract

(1) A Three-Month EURIBOR Future is a futures contract on the interest rate for three-month cash deposits in Euro (Three-month EURIBOR. The value of a contract shall be EUR 1,000,000.

(2) An One-Month EONIA Future is a futures contract on the average of all effective overnight reference rates for the euro (EONIA) for one calendar month determined by the European Central Bank taking into account the compounded interest effect. The value of a contract is EUR 3.000.000.

(3) An One-Month EUR Secured Funding Future is a futures contract on the average of the STOXX GC Pooling Deferred EUR Funding Rate over a monthly European Central Bank Reserve Maintenance Period taking into account the compounded interest effect. The value of a contract is EUR 1,000,000. The exact start and end dates of the monthly European Central Bank Reserve Maintenance Periods are determined by the ECB and published on their webpage. The interest rate

observation period for the One-Month EUR Secured Funding Future is determined by the days in the ECB Reserve Maintenance Period. A subsequent modification of the maintenance period dates by ECB shall be of no consequence to the determination of the interest observation period; the originally published calendar shall apply exclusively.

1.1.2 Obligation for Performance

After the close of trading in the contract, the seller of a Money Market Futures Contract shall pay in cash any difference between the agreed price and the higher final settlement price (Chapter II subsection 2.2.3. of the Clearing Conditions of Eurex Clearing AG). The purchaser of a Money Market Futures Contract shall pay in cash any difference between the agreed price and the lower final settlement price.

1.1.3 Term

(1) For Three-Month EURIBOR Futures, terms expiring on the final settlement day (subsection 1.1.4 paragraph (1) of the twenty succeeding quarter-end months (March, June, September, December) are available for trading at the Eurex Exchanges.

(2) For One-Month EONIA Futures, terms expiring on the final settlement day (subsection 1.1.4 paragraph (2) of the current calendar month and the eleven succeeding calendar months are available for trading at the Eurex Exchanges.

(3) For One-Month EUR Secured Funding Futures, terms expiring on the final settlement day (subsection 1.1.4 paragraph (3) of the current ECB Reserve Maintenance Period and the eleven succeeding periods are available for trading at the Eurex Exchanges.

1.1.4 Last Trading Day, Final Settlement Day, Close of Trading

(1) The last trading day and final settlement day of the Three-Month EURIBOR Future shall be the second Exchange day prior to the third Wednesday of the relevant performance month (quarterly month pursuant to subsection 1.1.3 paragraph (1) - provided that on this day the European Banking Federation (FBE) and Financial Market Association (ACI) have determined the reference interest rate EURIBOR relevant to three-month cash deposits, otherwise the preceding Exchange day.

The close of trading for the Three-Month EURIBOR Future is on the last trading day at 11:00 a.m. CET.

(2) The last trading day and final settlement day of the One-Month EONIA Futures Contract shall be the last Exchange day of the relevant performance month (calendar month pursuant to subsection 1.1.3 paragraph (2)) - provided that on

this day the European Central Bank has determined the reference interest rate for overnight inter-bank deposits, EONIA, otherwise the preceding Exchange day.

The close of trading for the One-Month EONIA Futures Contract is on the last trading day at 7:00 p.m. CET.

(3) The last trading day and final settlement day of the One-month EUR Secured Funding Rate Futures Contract shall be the last Exchange day of the relevant ECB Reserve Maintenance Period (pursuant to subsection 1.1.1 paragraph (3)) - provided that on this day STOXX has determined the STOXX GC Pooling Deferred EUR Funding Rate otherwise the preceding Exchange day.

The close of trading for the One-month EUR Secured Funding Futures Contract is on the last trading day at 6:00 p.m. CET.

1.1.5 Price Gradations

The price of a money market futures contract shall be quoted as a percentage with three decimal places on a basis of 100 less interest rate traded. The minimum price change (”Tick”) shall be 0.005 points; this represents a value of EUR 12.50 for the Three-Month EURIBOR Future and the One-Month EONIA Future as well as EUR 3.89 for the One-Month EUR Secured Funding Future .

1.1.6 Performance, Cash Settlement

(1) The performance day for Money Market Futures Contracts shall be the Exchange day after the final settlement day.

(2) Contracts shall be performed by cash settlement between the Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

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Annex C in relation to Contract Specifications:

Trading Hours Futures Contracts

Money Market Futures Contracts

Product	Product-ID	Pre-Trading-Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day	
						Trading until	
Three-Month EURIBOR Futures	FEU3	07:30-08:00	08:00-19:00	19:00-20:00	08:00-19:00	11:00	
One-Month EONIA Futures	FEO1	07:30-08:00	08:00-19:00	19:00-20:00	08:00-19:00	19:00	
One-Month EUR Secured Funding Futures	FLIC	07:30-08:00	08:00-18:00	18:00-19:00	08:00-18:00	18:00	

All times in CET

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Anhang/Attachment 2 zu/to Eurex circular 106/14

Market Making Scheme for One-Month EUR Secured Funding Futures

Quote Obligations

The Quote Obligations can be summarized as follows:

Quote Obligations - Outrights					Quote Obligations - Consecutive months spreads				
Expiry months	Quotation Time	Market Making Scheme Tier	Maximum Spread (bid/ask)	Minimum quote size per side in lots	Expiry months	Quotation Time	Market Making Scheme Tier	Maximum Spread (bid/ask)	Minimum quote size per side in lots
Exp 1 - 3	80% of the trading day (8:00 a.m. - 6:00 p.m.CET)	Tier 1	3 bps	50	exp1 v. exp2 exp2 v. exp3 exp3 v. exp4	80% of the trading day (8:00 a.m. - 6:00 p.m.CET)	Tier 1	2 bps	100
		Tier 2	5 bps	200			Tier 2	3 bps	250
Exp 4 - 6	80% of the trading day (8:00 a.m. - 6:00 p.m.CET)	Tier 1	3 bps	25	exp4 v. exp5 exp5 v. exp6 exp6 v. exp7	80% of the trading day (8:00 a.m. - 6:00 p.m.CET)	Tier 1	2.5 bps	100
		Tier 2	5 bps	150			Tier 2	4 bps	150
Exp 7 -12	60% of the trading day (8:00 a.m. - 6:00 p.m.CET)	Tier 1	3 bps	25	exp7 v. exp8 exp8 v. exp9 …... exp11 v. exp12	60% of the trading day (8:00 a.m. - 6:00 p.m.CET)	Tier 1	3 bps	50
		Tier 2	5 bps	100			Tier 2	4 bps	100

In fast market conditions the spread will be doubled and the number of contracts will be halved.

Market Makers are obliged to supply bid and ask quotes in the Outrights and Consecutive months spreads during the Quotation Time calculated on a monthly average in order to qualify for any Fee Rebates and Revenue Sharing.

Market Makers can elect on a monthly basis to either quote according to the requirements as defined in Tier 1 for Outrights and Consecutive months or Market Makers can quote according to the requirements as defined in Tier 2 for Outrights and Consecutive months.

Fee Rebates and Revenue Sharing

Fees: Upon fulfilment of the market making obligations in one of the two tiers for a calendar month, Market Maker firms will receive a total refund of trading and clearing fees for EUR Secured Funding Futures contracts traded (order book and EurexOTC Wholesale Facilities) on the M-accounts for the respective month. The fee rebate will be granted to fulfilling market makers from 1 December 2014 until 31 December 2015 on a monthly basis.

Refunds apply for the entire member-firm market making volume on the M-accounts.

Revenue Sharing: On a monthly basis and if the market making obligations are fulfilled for one of the two tiers, 50 percent of the net revenues in EUR Secured Funding Futures are distributed to the five leading market makers from 1 December 2014 until 31 December 2015 according their trading share (M-account order book and EurexOTC Wholesale Facilities (Block trades, Exchange for Physicals & Exchange for Swaps)) within this group.

Eurex maintains the right to adjust the terms and conditions of this Market Making scheme over the course of its lifetime.

We would kindly ask interested parties to contact either Frank Odendall, frank.odendall@eurexchange.com or Joachim Heinz, joachim.heinz@eurexchange.com together with their Eurex Member ID and their respective counterparties such that we could register and enable them for monitoring.

Frankfurt, 27 May 2014

clear to trade

eurex clearing *circular 068/14*

Date: 27 May 2014
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Money Market Derivatives: Introduction of cash settled One-Month EUR Secured Funding Futures based on Eurex Repo's GC Pooling® market as determined by the STOXX® GC Pooling EUR Deferred Funding Rate

Related Eurex circular: 106/14

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Content may be most important for:	**Attachments:**
Ü All departments	Updated sections of the following Rules and Regulations: 1. Clearing Conditions for Eurex Clearing AG 2. Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation) 3. Price List for Eurex Clearing AG

Summary:

Effective **10 September 2014,** Eurex Clearing will extend clearing services for the following product:

Cash settled One-Month EUR Secured Funding Futures based on Eurex Repo's GC Pooling® market as determined by the STOXX® GC Pooling EUR Deferred Funding Rate, introduced at Eurex Exchange.

This circular provides information on the clearing of the newly introduced product and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG. Specific information on the introduction of the new product as well as the updated sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG can be retrieved from Eurex circular 106/14.

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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
USt-IdNr. DE194821553
Amtsgericht Frankfurt/Main

Money Market Derivatives: Introduction of cash settled One-Month EUR Secured Funding Futures based on Eurex Repo's GC Pooling® market as determined by the STOXX® GC Pooling EUR Deferred Funding Rate

Effective 10 September 2014, Eurex Clearing will extend clearing services for the following product:

Cash settled One-Month EUR Secured Funding Futures based on Eurex Repo's GC Pooling® market as determined by the STOXX® GC Pooling EUR Deferred Funding Rate.

This circular provides information on the clearing of the newly introduced product and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG. Specific information on the introduction of the new product as well as the updated sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG can be retrieved from Eurex circular 106/14.

1. Eurex product

Eurex product			**Underlying instrument**		
Future	**Product code**	**ISIN**	**ISIN**	**Bloomberg**	**Reuters**
One-Month EUR Secured Funding Futures	FLIC	DE000A1YD7E8	DE000A1X21E8	SGCPDFR Index	.STXGCPDFR

2. Clearing Conditions for Eurex Clearing AG

Please find the relevant amendments to the Clearing Conditions for Eurex Clearing AG in attachment 1 to this circular.

Effective 10 September 2014, the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Clearing Conditions

3. Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

One-month EUR Secured Funding Futures are admitted to the Exchange for Physicals- (EFP-Fin Trade Facility), Exchange for Swaps (EFS Trade Facility) and Eurex Block Trade functionalities.

The minimum Block Trade size for One-Month EUR Secured Funding Futures is 300 contracts.

The General Conditions for Participation were amended accordingly. Please refer to attachment 2 for further details.

As of 10 September 2014, the amended General Conditions for Participation will be available for download on the Eurex Clearing website under the following link:

Resources > Rules and Regulations > Conditions for Utilization of the OTC Trade Entry Facilities

4. Transaction Fees

Contract	Currency	Standard fee per contract P-accounts	Standard fee per contract A -accounts
On-exchange transactions			
One-Month EUR Secured Funding Futures	EUR	0.20	0.40
OTC transactions			
One-Month EUR Secured Funding Futures	EUR	0.30	0.60

For further details to the updated sections of the Price List for Eurex Clearing AG, please refer to attachment 3 to this circular. The complete current Price List for Eurex Clearing AG can be found on the Eurex Clearing website under the link:

Resources > Rules and Regulations > Price list

5. Trading hours and trading calendar

Trading hours of One-Month EUR Secured Funding Futures are as follows:

Product	Product code	Pre-Trading-Period	Continuous Trading	Post-Trading Full Period	OTC Block-Trading	Last Trading day
One-Month EUR Secured Funding Futures	FLIC	07:30 – 08:00*	08:00 – 18:00*	18:00 – 19:00*	08:00 – 18:00*	18:00*

*All trading hours are CET.

As of start of trading, a detailed list of the trading days can be found in the trading calendar which will be published on the Eurex website www.eurexchange.com under the path:

Trading > Trading calendar

6. Transaction fee holidays and Market-Making fee rebates

Eurex Clearing offers a transaction fee holiday from 10 September 2014 until 30 November 2014 for all participants in the contract.

In conjunction with the Market-Making scheme (see Eurex circular 106/14), the following fee rebate will be offered by Eurex Clearing:

Upon fulfilment of the monthly obligations, Market Makers shall receive a rebate of 100 percent of the transaction fees from 1 December 2014 until 31 December 2015. The rebate will be granted for all transactions on the M-account (order book and Eurex Trade Entry Services). Additionally, 50 percent of the Eurex Clearing net revenues on One-Month EUR Secured Funding futures will be offered to the top five Market Makers from 1 December 2014 until 31 December 2015.

7. Amendments to the Rules and Regulations of Eurex Deutschland and Eurex Zürich AG

The respective amended sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich are provided in the attachment 1 to Eurex circular 106/14.

8. Risk parameters

As of start of clearing, risk parameters of the new product will be published on the Eurex Clearing website www.eurexclearing.com under the link:

Risk management > Risk parameters

Pursuant to Chapter I, Part 1, Number 17.2.3 of the Clearing Conditions, the changes and amendments to the Clearing Conditions communicated with this circular shall be deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer, unless they object in writing to Eurex Clearing AG prior to the actual effective date of such change and amendment of the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License according to Chapter I, Part 1, Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions shall remain unaffected.

Pursuant to Number 16 Paragraph 3 of the Price List, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing AG within ten (10) business days after publication.

27 May 2014

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ÄNDERUNGEN SIND WIE FOLGT KENNTLICH GEMACHT:

ERGÄNZUNGEN SIND UNTERSTRICHEN.

LÖSCHUNGEN SIND DURCHGESTRICHEN.

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Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

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Part 2 Clearing of Futures Contracts

The following provisions shall apply to the Clearing of futures contract transactions specified in Number 1 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich ("**Eurex Contract Specifications**").

2.1 General Provisions

The "General Provisions" pursuant to this Number 2.1 apply for all futures contracts unless specific or rules deviating from the "General Provisions" pursuant to Number 2.2 to 2.19 apply to the respective futures contracts.

2.1.1 General Liabilities

(1) Eurex Clearing AG shall be a contracting party to all payments and deliveries arising out of the settlement of Futures contracts.

(2) Clearing Members must fulfil their payment obligations in accordance with the instructions of Eurex Clearing AG.

(3) Paragraphs (1) and (2) shall apply accordingly regarding the fulfilment of Transactions in products of the Eurex Exchanges, which have been included in the Clearing by Eurex Clearing AG and whose fulfilment requires the opening of a position in a specific derivatives contract on another derivatives exchange or another clearing house, respectively, in favour of the counterparty of these transactions.

2.1.2 Daily Settlement Price

(1) For each futures contract, profits and losses arising out of open positions on any Business Day will be determined at the end of the Post-Trading Period on the basis of the daily settlement price determined pursuant to Paragraph (2). For open positions from the previous Business Day, the relevant profit or loss amount shall equal the difference between the daily settlement prices of the contract in question

on the relevant Business Day and the previous Business Day. For transactions on the relevant Business Day, the relevant profit or loss amount shall equal the difference between the price at which the Transaction was concluded and the daily settlement price for such Business Day.

The determined profit or loss amount on any Business Day shall be the Variation Margin Requirement, Segregated Variation Margin Requirement or Net Omnibus Variation Margin Requirement, as applicable, and/or any Redelivery Amount, as the case may be (as defined in Chapter I Part 2 Number 7, Chapter I Part 3 Subpart A Number 6 Subpart C Number 5 or Chapter I Part 4 Number 7, as applicable).

(2) Eurex Clearing AG determines the daily settlement price according to the true market conditions of the respective contract and under consideration of its risk assessment.

(a) When determining the daily settlement prices pursuant to Sentence 1 for contracts of the current expiry month, the following procedure shall apply.

1. For contracts with which a closing price in the closing auction pursuant to Section 64 of the Exchange Rules for Eurex Deutschland and Eurex Zürich is determined before 7 p.m., Eurex Clearing AG shall determine the daily settlement price according to the closing price respectively determined for the contract.

2. With all other contracts, the daily settlement price shall be determined from the volume-weighted average of the prices of all transactions of the last minute before the respective reference point in time in the respective contract, provided that more than five transactions have been settled within this period. In case more than at least five transactions have been concluded before the respective reference point in time, the daily settlement price shall be determined from the volume-weighted average of the prices of the last five transactions concluded before the reference point in time in the respective contract, provided that those transactions are not concluded more than 15 minutes before the reference point in time.

3. In case no price can be determined according to the aforementioned procedure, the daily settlement price shall be determined on the basis of the procedure described in (b) below.

(b) For all other contract terms, the following procedures apply to the determination of the daily settlement price.

1. The daily settlement price for a contract shall be determined according to the average bid-ask spread of the combination order book.

2. In case there is no spread in the combination order book, Eurex Clearing AG shall base the determination on the average bid-ask spread of the respective expiry month.

3. In case there is no average bid-ask spread for the respective expiry month, the daily settlement price shall be determined according to the theoretic price based on the price of the underlying.

(c) The daily settlement price for futures contracts on exchange-traded index fund shares and on shares shall be determined by Eurex Clearing AG according to the closing price of the respective future determined in the closing auction of the underlying plus the respective costs of carry. For index fund shares, the closing price in the electronic trade on the Frankfurter Wertpapierbörse/SWX shall be relevant; for shares, the closing price according to the regulation in Number 2.7.2 shall be relevant.

(d) The daily settlement price for futures contracts with assigned group ID BR01, CA01, US01 or US02 (Annex A of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich) shall be determined by the volume-weighted average of the last three prices of the underlying before the reference point in time (Paragraph 5); Eurex Clearing AG shall hereby collect the prices via the data provider Reuters AG. The calculated value shall respectively be added to the costs of carry.

(e) The daily settlement price for the Commodity Index Futures Contracts shall be determined on the basis of the mean bid/ask spread in the order book before the reference point in time.

If it is not possible to determine a price pursuant to the aforementioned provisions or if the daily settlement price so determined would not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price at its equitable discretion.

(f) The daily settlement price for Eurex-KOSPI-Daily Futures contracts shall also be the final settlement price (Number 2.16.2).

(g) The daily settlement price for FX Futures contracts shall be determined according to the procedures described in Paragraph (a). In the case that no daily settlement price can be determined according to aforementioned procedures, the daily settlement price shall be determined on the basis of the mean bid-ask spread in the orderbook before the reference point in time. If it is not possible to determine a price pursuant to aforementioned provisions or if the daily settlement price so determined would not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price in its reasonable discretion.

(3) Paragraph (1) shall apply to the legal relationship between Clearing Members and their relevant Non-Clearing Members or Registered Customers, respectively, *mutatis mutandis*.

(4) Number 2.1.1 apply *mutatis mutandis* with respect to all payments pursuant to this Number 2.1.2.

(5) Reference times

Contract	**Reference Time (CET)**
Agricultural Index Futures with assigned product ID FEPP, FHOG or FPIG	16:00
Agricultural Index Futures with assigned product ID FSMP, FWHY or FBUT	18:30
All other Index Dividend Futures	17:30
All other Index-Futures	17:30
CECE® EUR-Futures	17:10
Commodity Index Futures	17:30
CONF-Futures	17:00
ETC Futures	17:30
Eurex -KOSPI-Daily Futures Contracts	17:30
Fixed Income Futures (denominated in Euro)	17:15
Futures Contracts with assigned group ID BR01, CA01, US01 or US02	17:45
FX Futures	17:30
Gold Futures	Conclusion of Afternoon Fixing taking place around 16:00
Hurricane Futures	22:00
Index Dividend Futures	17:30
Money Market Futures (FEO1 and FEU3) FLIC	17:15 18:00
RDX® EUR Futures, RDX® USD Futures	16:30

Contract	Reference Time (CET)
Silver Futures	Conclusion of the Silver Fixing taking place around 13:00
SMI® Index Dividend Futures	17:20
SMI®-Futures, SLI® Futures	17:20
SMIM® Futures	17:20

"Afternoon Fixing" means the fixing of the price for one troy ounce gold stated in USD, such fixing taking place during the opening days of the London Bullion Market (or a succeeding market on which market participants in the London market for trading with gold trade in gold) at 16:00 (CET) according to the rules of the London Bullion Market Association (or a succeeding organisation representing market participants in the London market for trading with gold). In case the fixing of one troy ounce gold in USD according to the rules of the London Bullion Market Association (or a succeeding organisation representing the market participants in the London market for trading with gold) takes place at a time other than mentioned above, the conclusion of the price fixing at this other time shall be the time for the afternoon fixing.

"Silver Fixing" means the fixing of the price for one troy ounce silver stated in USD, such fixing taking place during the opening days of the London Bullion Market (or a succeeding market on which market participants in the London market for trading with silver trade in silver) at 13:00 (CET) according to the rules of the London Bullion Market Association (or a succeeding organisation representing market participants in the London market for trading with silver). In case the fixing of one troy ounce silver in USD according to the rules of the London Bullion Market Association (or a succeeding organisation representing the market participants in the London market for trading with silver) takes place at a time other than mentioned above, the conclusion of the price fixing at this other time shall be the time for the Silver Fixing.

2.1.3 Margin Requirements

(1) The basic provisions for the margin requirements are set forth in Chapter I Part 1 Number 3 together with Part 2 Number 6, Part 3 Number 5 or Part 4 Number 6 In addition thereto, the following provisions shall apply:

(2) In accordance with the Risk Based Margining methodology, with respect to futures contracts, the applicable Margin Type shall be the Spread Margin, provided that in the case of a Physical Delivery, the Current Liquidating Margin shall be the applicable Margin Type.

(3) In accordance with the Eurex Clearing Prisma methodology, with respect to futures contracts, the applicable Margin Type shall be the Initial Margin.

(4) In addition, in the case of a Physical Delivery, the Current Liquidating Margin shall be an applicable Margin Type in accordance with the Risk Based Margining methodology and in accordance with the Eurex Clearing Prisma methodology.

2.2 Clearing of Money Market Futures contracts

The following provisions shall apply to the Clearing of Money Market Futures contract transactions specified in Number 1.1 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

2.2.1 Payment Procedures

All payments shall be made on the Business Day following the final settlement day. All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in the RTGS Account or the euroSIC Account.

2.2.2 Final Settlement Price

(1) With respect to Three Month EURIBOR Futures contracts, the final settlement price will be determined by Eurex Clearing AG (pursuant to Number 1.1.4 Paragraph 1 of the Contract Specifications for Futures Contracts and Options Contracts at the Eurex Deutschland and Eurex Zürich) on the basis of the reference interest rate EURIBOR calculated by the European Banking Federation (FBE) and Financial Market Association (ACI) at that day for Three-Month cash deposit in Euro at the final payment day of a contract at 11 a.m. CET.

(2) With respect to One Month EONIA Futures contracts, the final settlement price will be determined by Eurex Clearing AG (pursuant to Number 1.1.4 Paragraph 2 of the Contract Specifications for Futures Contracts and Options Contracts at the Eurex Deutschland and Eurex Zürich) in Euro (EONIA) at the final ~~payment~~ settlement day of a contract at 7 p.m. CET on the basis of the monthly average of the effective interest rates for overnight deposits calculated by the European Central Bank.

The monthly average will be calculated in consideration of the compound interest effect. All EONIA reference interest rates which were calculated by the European Central Bank from the first calendar day up to and including the last calendar day of the respective month of the Futures Contract shall contribute to the calculation of the monthly average For Saturdays, Sundays and holidays for which the European Central Bank does not calculate a EONIA interest rate, the EONIA interest rate calculated by the European Central Bank for the previous day, will form the basis of the calculation.

(3) With respect to the One-Month EUR Secured Funding Futures contract, the final settlement price will be determined by Eurex Clearing AG (pursuant to Number 1.1.4 Paragraph 3 of the Contract Specifications for Futures Contracts and Options Contracts at the Eurex Deutschland and Eurex Zürich) on the final settlement day of

a contract on the basis of the average of all interest rates regarding the STOXX GC Pooling Deferred EUR Funding Rate calculated during the term of a European Central Bank reserve maintenance period, taking into account the compound interest effect after 7 p.m. CET.

The final settlement price ("FSP") is determined by the following formula:

$$FSP=100-\left[\left[\frac{360}{N}\left(\prod_{i=1}^{M}\left(1+\frac{F_i*w_i}{360}\right)-1\right)\right]*100\right]$$

M = number of observations of the STOXX® GC Pooling Deferred EUR Funding Rate in the accrual period

N = number of calendar days in the accrual period

Fi= the ith STOXX® GC Pooling Deferred EUR Funding Rate (in percent) in the accrual period

wi = the number of days that Fi is applied for, i.e. wi represents the calendar days between the publication of the STOXX® GC Pooling Deferred EUR Funding Rate on day i and the next day on which a STOXX® GC Pooling Deferred EUR Funding Rate is published.

With regard to Saturdays, Sundays or public holidays for which the European Central Bank does not calculate an interest rate regarding the STOXX GC Pooling Deferred EUR Funding Rate, the STOXX GC Pooling Deferred EUR Funding Rate calculated by the European Central Bank on the preceding exchange day shall form the basis for such calculation.

(4~~3~~) The final settlement price will be determined by rounding the EONIA average interest rate, ~~as well as~~ the reference interest rate EURIBOR calculated for Three Month cash deposits as well as the One-Month EUR Secured Funding interest rate regarding the STOXX GC Pooling Deferred EUR Funding Rate to three decimal places and by subtracting the amount from 100. When rounding to the third decimal place, the following procedure shall be used. If the value of the fourth decimal place lies between 1 and 5, the third decimal place shall be rounded down; if the value of the fourth decimal place lies between 6 and 9, the third decimal place shall be rounded up. (Example: If a EURIBOR interest rate is determined at 1.2235, it shall be rounded down to 1.223 and this amount be subtracted from 100).

[...]

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[…]

9 Admitted Products, Combinations and Combination Transactions Option-Share

9.1 EFP-Fin Trade Facility

Eurex Clearing AG has admitted the following products to the EFP-Fin Trade Facility:

- § Futures Contracts on the Interest Rate for Three-Month Cash Deposits in Euro ("FEU3-Future")
- § Futures Contracts on the Monthly Average of Effective Interest Rates for Overnight Deposits in the Inter-bank Euro Market, EONIA ("FEO1-Future")
- § Futures Contracts on the One-Month EUR Secured Funding Future on the average of all interest rates regarding the STOXX GC Pooling Deferred EUR Funding Rate calculated during the term of a European Central Bank monthly reserve maintenance period ("FLIC-Future")
- § Futures Contracts on a Notional Extra Long-Term Debt Security of the Federal Republic of Germany ("FGBX Futures")
- § [...]

[…]

9.3 EFS Trade Facility

Eurex Clearing AG has admitted the following products to the EFS Trade Facility:

- § Futures Contracts on the Interest Rate for Three-Month Cash Deposits in Euro ("FEU3-Future")
- § Futures Contracts on the Monthly Average of Effective Interest Rates for Overnight Deposits in the Inter-bank Euro Market, EONIA ("FEO1-Future")
- § Futures Contracts on the One-Month EUR Secured Funding Future on the average

of all interest rates regarding the STOXX GC Pooling Deferred EUR Funding Rate calculated during the term of a European Central Bank monthly reserve maintenance period ("FLIC-Future")

§ Futures Contracts on a Notional Extra Long-Term Debt Security of the Federal Republic of Germany ("FGBX Futures")

§ [...]

9.4 Block Trade Facility

[...]

9.4.1 Admitted Products:

Product	Minimum number of tradable contracts
Sterling - Swiss Franc Options (OCPF)	500
[...]	
Options Contracts on the CECE® USD Index (OCEE)	1
[...]	
Futures Contracts on the Monthly Average of Effective Interest Rates for Overnight Deposits in the Inter-bank Euro Market, EONIA (One-month EONIA Future; FEO1)	100
Futures Contracts on the One-Month EUR Secured Funding Future on the average of all interest rates regarding the STOXX GC Pooling Deferred EUR Funding Rate calculated during the term of a European Central Bank monthly reserve maintenance period (FLIC)	300
Futures Contracts on the STOXX® Europe 50 Index (FSTX)	250

[...]

10 Underlyings for the EFP Trade Facility

Eurex Clearing AG has admitted the following combinations of underlyings and Futures contracts:

Admitted Underlyings (Reporting Transaction)	Transaction creating a position
Debt securities[1]	Eurex Fixed Income Futures
Eurex or Non-Eurex Money Market Futures	Eurex Fixed Income Futures
Eurex or Non-Eurex Fixed Income Futures[2]	Eurex Fixed Income Futures
Eurex Repo GC Pooling Transactions[3]	Eurex Money Market Futures
Non-Eurex Money Market Futures	Eurex Money Market Futures

[1] All debt securities which show a price correlation – or in case of credit, a spread correlation – to the futures contract exchanged resulting in the futures contract representing an appropriate hedge instrument for cash transactions, may be part of an EFP trade pursuant to Number 2.1.2 of these General Conditions for Participation.

The cash transaction underlying the EFP trade has to be denominated in a currency of the OECD Member States.

[2] Non-Eurex Fixed Income Futures within this meaning are all Fixed Income Futures traded outside the Eurex exchanges whose design does not correspond to the essential specifications of the Fixed Income Futures traded on the Eurex exchanges.

[3] A Eurex GC Pooling Repo Transaction specifies a purchase/sale of the GC Pooling ECB or of the GC Pooling ECB EXTended Basket and its simultaneous re-sale/re-purchase as a future. The nominal value of the Repo transaction must be equivalent to the value of Eurex Money Market Futures multiplied by the number of contracts.

[...]

Annex A to the General Conditions for Participation:

OTC Periods of Use (all times in CET)

Futures Contracts

Money Market Futures Contracts

Product	Product-ID	Start-End
Three-Month-EURIBOR-Futures	FEU3	08:00-19:00
One-Month-EONIA-Futures	FEO1	08:00-19:00
One-Month EUR Secured Funding Futures	FLIC	08:00-18:00

[...]

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[…]

3. Transaction Fees for Derivatives Transactions (Transactions on the Eurex Exchanges and OTC-Transactions)

[...]

3.1 Matching / Recording of Derivatives Transactions (Trade)

3.1.1 Exchange Transactions (excluding Block Auction)

[...]

Contract *	**Currency**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[...]					
Interest Rate Derivatives					
Futures					
One-Month EUR Secured Funding Futures*****	EUR	0.40	n.a.		
[...]					

[...]

***** With regard to One-Month EUR Secured Funding Futures, the standard fee per contract for transactions booked on P-Accounts or M-Accounts respectively is 0.20 EUR.

[...]

3.1.3 OTC Transactions

[...]

Contract	Currency	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[...]					
Interest Rate Derivatives					
Futures					
One-Month EUR Secured Funding Futures*****	EUR	0.60	n.a.		
[...]					

[...]

***** With regard to One-Month EUR Secured Funding Futures, the standard fee per contract for transactions booked on P-Accounts or M-Accounts respectively is 0.30 EUR.

[…]

3.3 Position Closing Adjustments

[...]

Contract	Fee per Contract
[...]	
Interest Rate Derivatives	
[...]	
One-Month EUR Secured Funding Futures	0.80
[...]	

[…]

3.4 Cash Settlement

Contract	Fee per Contract	Maximum Fee for Contracts on the same underlying of each A-, P- and M-accounts
[...]		
Interest Rate Derivatives		
One-Month EUR Secured Funding Futures	EUR 0.40	
[...]		

[…]