X-pand into the Future

# eurex circular 281/11

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**Recipients:** All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
**Authorized by:** Michael Peters

**High priority**

## Equity Index Derivatives: Futures on STOXX® Europe 600 Personal & Household Goods Index: Termination of Tradability for U.S. Members; EURO STOXX® Banks Index: Further Information

**Related Eurex Circular:** 260/11

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| **Content may be most important for:** | **Attachments:** |
|---|---|
| ➲ All departments | none |

**Summary:**

We would like to inform you that effective **after the close of business on February 29, 2012**, the STOXX® Europe 600 Personal & Household Goods Index Futures Contract (Eurex product code: FSTZ) will be considered under U.S. law to be a security future and will therefore no longer be tradable on Eurex trading terminals in the U.S.

As of this date, futures on the STOXX® Europe 600 Personal & Household Goods index may no longer be publicly offered or distributed in the U.S. or offered or sold to U.S. persons except as permitted by U.S. securities and commodity futures law.

This circular also provides additional background regarding Eurex's recent decision to end trading of the EURO STOXX® Banks Index Futures Contract (communicated via Eurex circular 260/11) via its U.S. terminals.

# Equity Index Derivatives: Futures on STOXX® Europe 600 Personal & Household Goods Index: Termination of Tradability for U.S. Members; EURO STOXX® Banks Index: Further Information

1. Background

In response to Eurex requests in 2002 and 2008, respectively, the Commodity Futures Trading Commission's (CFTC) Office of the General Counsel confirmed via no-action letters that the EURO STOXX® Banks Index Futures Contract and the STOXX® Europe 600 Personal & Household Goods Index Futures Contract may be purchased or sold by U.S. persons. Subject to separate no-action relief, these Eurex futures contracts were available for trading for Eurex's U.S. Members via its U.S.-based terminals. A condition of the purchase or sale of these futures contracts by U.S. persons was that they continued to be on a non-narrow equity index. An index is considered to meet the requirement that it be non-narrow if it fulfils all of the following conditions:

a) The index is comprised of more than nine securities;
b) No single security comprises more than 30 percent of the total index weight;
c) The five largest securities comprise not more than 60 percent of the total index weight; or
d) The lowest-weighted securities that together account for 25 percent of the total weight of the index have an aggregate dollar value of average daily trading volume of greater than USD 50 million (or greater than USD 30 million if the index includes more than 15 securities).

2. Current status

Due to factors in the markets underlying these equity indexes (and unrelated to Eurex Deutschland), the EURO STOXX® Banks index no longer meets requirement c) and thus has become a narrow-based equity index. As such, the futures contract on the EURO STOXX® Banks index is a security future product and may not be traded via Eurex terminals in the U.S. The EURO STOXX® Banks Index Futures Contract may only by offered and sold to U.S. persons in compliance with the requirements of both the U.S. securities and commodity futures laws.

The Eurex STOXX® Europe 600 Personal & Household Goods Index Futures Contract will become a futures contract on a narrow-based equity index on November 30, 2011. It will be available for trading by U.S. persons for an additional three-month period, until February 29, 2012. After this period, U.S.-based Eurex Members will no longer be able to trade the futures contract through terminals in the U.S. and the offer and sale of the Eurex STOXX® Europe 600 Personal & Household Goods Index Futures Contract by U.S. persons must be in compliance with the requirements of both the U.S. securities and commodity futures laws.

November 30, 2011