X-pand into the Future

eurex circular 060/16

Date: 23 June 2016
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

Euro-BONO-Futures: Replacement of Market-Making scheme

Related Eurex Circular: 182/15

Contact: Frank Odendall, T +44-207-8 62- 72 73, frank.odendall@eurexchange.com
Jutta Frey-Hartenberger, T +49-69-211-1 49 88, jutta.frey-hartenberger@eurexchange.com

Content may be most important for:

➲ All departments

Attachments:

1. Adjusted Designated Market-Making scheme
2. Designated Market Maker Agreement
3. Eurex Clearing Circular 084/16

Effective from **1 July 2016**, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to replace the Designated Market-Making scheme for Euro-BONO-Futures (Eurex product code: FBON) on long-term Spanish government bonds announced in Eurex circular 182/15 by an adjusted Designated Market-Making scheme.

For details on the new adjusted Market-Making scheme, please refer to attachment 1. Already registered Market Makers do not need to take any action.

Participants interested in participating in the scheme are requested to fill in, sign and return the form in attachment 2 (“Designated Market Maker Agreement“) to Jutta Frey-Hartenberger, Product R&D Fixed Income, fax +49-69-211-61 49 88. Eurex Exchange will accept applications to this Designated Market-Making scheme until 30 September 2016 unless otherwise notified.

If you have any questions or require further information, please contact Frank Odendall or Jutta Frey-Hartenberger.

Adjusted Designated Market-Making (DMM) scheme for Euro-Bono Futures:

The below parameters replace as of 1 July 2016 the Designated Market-Making (DMM) scheme for Euro-Bono Futures as announced in Eurex Circular 182/15:

1. Quotation Obligations:

Quotation Size:

20 contracts on the bid and ask side

Average Spread:

0.12 percent of par value (price quotation)

Committed Quotation Time:

80 percent of core trading hours of Spanish government bonds (9:00 a.m. to 5:30 p.m. CET) on a monthly average.

Market makers will be obliged to supply bid and ask quotes only in the front month contracts 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 or the next contract month.

Fast Market:

In fast market conditions (definition and announcement by the Exchange) the spread will be doubled and the number of contracts to be quoted will be halved.

2. Designated Market Making Incentives:

Upon fulfillment of obligations, Designated Market Maker firms will receive a total refund of transaction fees for Euro-BONO Futures contracts traded on the M-accounts from 1 July 2016 until 30 June 2017 on a monthly basis.

A revenue sharing of 50% of Eurex net trading revenues in Euro-BONO-Futures from 1 July 2016 until 30 June 2017 are distributed on a quarterly basis to the seven leading market makers according to their proprietary trading share (on- and off-exchange volumes traded on P- and M-accounts) in the respective quarter within the group of market makers, provided that the obligations are fulfilled on a quarterly basis.

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

Please return by fax to:

Jutta Frey-Hartenberger

Fax no. +49-69-211- 61 49 88

Designated Market Maker Agreement for Euro-BONO-Futures

dated as of: _____

1. Eurex Frankfurt AG ("EFAG") and Eurex Clearing AG ("ECAG") and

_____ ("Participant")

(Name of Participant/Member ID)

hereby enter into this Designated Market Maker Agreement (the "Agreement") under the conditions outlined below with respect to the following products:

Eurex product	Eurex product code	Please tick (✓) the appropriate box
Euro-BONO-Futures	FBON	☐

for the period from **1 July 2016 until 30 June 2017.**

2. The Participant will

a) Fulfil the Market-Making Obligations as set out by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG ("Eurex Market-Making Obligations") and published via Eurex circular. The current Eurex Market-Making Obligations for Euro-BONO-Futures are published in Eurex circular 060/16 and can be amended from time to time.

b) Provide EFAG with the name of a manager, who has the authorisation and expertise necessary to fulfil the commitments required under the Eurex Market-Making Obligations.

c) Provide EFAG with the name of a manager who has the authorisation and expertise necessary to make decisions and act as coordinator for the Participant, who will be available for EFAG and ECAG with respect to this Agreement.

d) Inform EFAG in the event the Participant is or will be unable to fulfil the Eurex Market-Making Obligations without undue delay and at the latest within one business day.

3. ECAG will

   a) Refund 100 percent of all transaction fees for the contracts traded by the Market Makers on
   M-accounts in Euro-BONO-Futures from **1 July 2016** until **30 June 2017** ("liquidity commitment period"). The refund for the respective month will be calculated at the beginning of the subsequent month. Refunds will be paid in full only if the Eurex Market-Making Obligations have been fulfilled in the month prior to the month in which they are applicable. No refunds will be made for contracts traded on A- or P-accounts.

   b) Offer a revenue sharing of 50% of Eurex net trading revenues in Euro-BONO-Futures from **1 July 2016** until **30 June 2017,** provided that the obligations were fulfilled on a quarterly basis. 50% of Eurex net trading revenues in Euro-BONO-Futures are distributed on a quarterly basis to the seven leading market makers according to their proprietary trading share (on- and off-exchange volumes traded on P- and M-accounts) in the respective quarter within the group of MM, provided that the obligations as stated in attachment 1 of Eurex circular 060/16 are fulfilled.

4. EFAG shall, upon occurrence of one of the following events, be entitled to terminate this Agreement:

   a) The Participant does not comply with the Eurex Market-Making Obligations for four consecutive months counted as of the date of this Agreement. Conformance of the Participant with the Eurex Market-Making Obligations shall be monitored by EFAG. EFAG will determine in its sole discretion whether the Participant has fulfilled the Eurex Market-Making Obligations.

   b) The Participant does not comply with any other of its obligations stated under No. 2 above.

5. The Participant shall, upon occurrence of one of the following events, be entitled to terminate this Agreement:

   a) A significant change in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich for the aforementioned products.

   b) A significant change to the Eurex Market-Making Obligations.

6. The Participant and EFAG and ECAG shall be entitled to terminate this Agreement without giving any reason with one calendar month's prior notice.

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

_____
Place, date

_____ _____
Name Position

_____ _____
Phone Fax

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

Please send the completed Agreement to the fax number indicated above.

clear to trade

eurex clearing *circular 084/16*

Date: 23 June 2016
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Euro-BONO-Futures: Replacement of Market-Making scheme for futures contracts on long-term Spanish Government Bonds

Related Eurex Circular: 060/16
Contact: Derivatives Clearing Supervision, T +49-69-211-1 12 50, clearing@eurexclearing.com,
Risk Control, T +49-69-211-1 24 52, risk@eurexclearing.com

Content may be most important for:	**Attachment:**
➲ All departments	Designated Market-Making Agreement for Euro-BONO-Futures

Effective **1 July 2016**, the following measures of Eurex Clearing for futures contracts on notional long-term debt securities of the Kingdom of Spain ("Obligaciones del Estado"), "Euro-BONO-Futures", will come into effect:

- Replacement of the existing Designated Market-Making scheme for Euro-BONO-Futures effective 26 October 2015 which will expire on 30 September 2016.
- Offer of an adjusted Designated Market-Making scheme with changed quotation obligations and unchanged percentage of fee rebates and revenue sharing until **30 June 2017**.

The relevant conditions and details as well as the exact parameters of the Designated Market-Making scheme in Euro-BONO-Futures can be found in Eurex circular 060/16.

Participants interested in participating in the scheme are requested to fill in, sign and return the attached form ("Designated Market-Making Agreement") to Jutta Frey-Hartenberger, Global Product R&D, at Fax +49-69-211-61 49 88. Already registered Market Makers do not need to take any action.

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

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Hugo Bänziger

Executive Board:
Heike Eckert (Deputy CEO),
Matthias Graulich,
Thomas Laux,
Manfred Matusza,
Erik Tim Müller

Aktiengesellschaft mit
Sitz in Frankfurt/Main
HRB Nr. 44828
USt-IdNr. DE194821553
Amtsgericht
Frankfurt/Main

Please return by fax to:

Jutta Frey-Hartenberger

Fax no. +49-69-211- 61 49 88

Designated Market Maker Agreement for Euro-BONO-Futures

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(Name of Participant/Member ID)

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_____
Place, date

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

Please send the completed Agreement to the fax number indicated above.