X-pand into the Future

eurex circular 286/11

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

High priority

EURO STOXX 50®, STOXX® Europe 50 and EURO STOXX® Select Dividend 30 Futures: Extension of Designated Market-Making (DMM) Scheme

Related Eurex circular: 217/11

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Content may be most important for:

➲ All departments

Attachments:

1. Scheme Obligations – DMM Scheme for EURO STOXX 50®, STOXX® Europe 50 and EURO STOXX® Select Dividend 30 Index Futures
2. Application Form – Designated Market-Making Scheme

Summary:

The Management Boards of the Eurex Exchanges decided to extend the Designated Market-Making Scheme for EURO STOXX 50®, STOXX® Europe 50 and EURO STOXX® Select Dividend 30 Index futures unchanged for another year until **December 31, 2012**.

This circular contains details and further product information.

EURO STOXX 50®, STOXX® Europe 50 and EURO STOXX® Select Dividend 30 Futures: Extension of Designated Market-Making (DMM) Scheme

The Management Boards of the Eurex Exchanges decided to extend the Designated Market-Making (DMM) Scheme for EURO STOXX 50®, STOXX® Europe 50 and EURO STOXX® Select Dividend 30 Futures, which was limited until December 31, 2011 for another year, i.e. until December 31, 2012, without any changes.

Eurex offers interested Members the opportunity to act as Designated Market Makers for the index futures mentioned above. Designated Market Makers ensure continual liquidity by undertaking to provide quotes on the bid and ask side, subject to maximum spreads, for a specified minimum number of contracts and within a specified period of time. Members from Asia can register for the Asian time zone, Members from North-America for the American time zone and all other Members for the European time zone, whereby all three alternatives are equally considered within the scheme. The scheme will run until December 31, 2012.

For details to this scheme please refer to attachment 1.

To apply for acting as a Designated Market Maker, market participants may use the form in attachment 2. Designated Market Makers who have already registered do not have to apply for the extended scheme again.

December 7, 2011

Scheme Obligations

Designated Market-Making (DMM) Scheme for EURO STOXX 50®, STOXX® Europe 50 and Euro STOXX® Select Dividend 30 Index Futures

Outline

This Designated Market-Making Scheme applies to EURO STOXX 50®, STOXX® Europe 50 and Euro STOXX® Select Dividend 30 Index Futures. The Designated Market Maker will be obliged to provide bid and ask prices in order to receive the Status of Designated Market Maker in the respective product.

Scheme Obligations

Minimum Size: **5** contracts on the bid and ask side (as outlined below).

Maximum Spread: **10** index points (as outlined below).

Product	Underlying Index	Future	Minimum Size	Maximum Spread
EURO STOXX 50® Futures	SX5E	FESX	5	10
STOXX Europe 50® Futures	SX5P	FSTX	5	10
EURO STOXX® Select Dividend 30 Futures	SD3E	FEDV	5	10

The spread and size classification will be reviewed on a monthly basis.

Quotation Period:

For the Asian time zone:
80 percent of the daily trading period between 08:00 and 10:30 (CET) on a monthly average.

For the European time zone:
80 percent of the daily trading period between 09:00 and 17:30 (CET) on a monthly average.

For the US time zone:
80 percent of the daily trading period between 17:30 and 22:00 (CET) on a monthly average.

Market Makers will be obliged to supply bid and ask quotes/prices 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 month or the next contract month. Asian members can apply for the Asian time zone, members from North America for the US time zone and all other members for the European timezone, whereby all three alternatives are equally qualifying as Designated Market Maker.

Contract Period:

January 1, 2012 up to December 31, 2012. Eurex will evaluate on a monthly basis which Market Makers have complied with the Obligations of the Designated Market Maker Scheme in the respective Index Futures. Designated Market Makers participating in this program do not receive any additional rebates or pay any additional fees for contracts traded under this program. Standard Eurex fees apply.

Application Form – Designated Market-Making Scheme

To Eurex
Product Development
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Application for the Status of Designated Market Maker for EURO STOXX 50®, STOXX® Europe 50 and EURO STOXX® Select Dividend 30 Futures

1. We _____
(name of member)

herewith apply for the status of Designated Market Maker in **EURO STOXX 50®, STOXX® Europe 50 and/or EURO STOXX® Select Dividend 30 Futures**

Product	Eurex Code	Please tick the appropriate box ✓		
		Asian time zone	European time zone	US time zone
EURO STOXX 50® Futures	FESX	☐ yes	☐ yes	☐ yes
STOXX Europe 50® Futures	FSTX	☐ yes	☐ yes	☐ yes
EURO STOXX® Select Dividend 30 Futures	FEDV	☐ yes	☐ yes	☐ yes

for the period from **January 1, 2012 until December 31, 2012** in accordance with the terms and conditions stated in the Scheme Obligations (attachment 1).

2. As a Designated Market Maker

a) we will fulfill the obligation by provision of bid and ask prices for each of the contracts in the series in order for such bid or asks, respectively, to qualify as a quotation satisfying the requirements in the Scheme Obligations

- for the minimum number of contracts specified in the Scheme Obligations
- in compliance with the maximum spread specified in the Scheme Obligations; and
- in compliance with the times specified in the Scheme 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 a Eurex trading screen and a qualified trader are available for Designated Market Makers; 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 member with the Designated Market Maker status in advertising and informative material in connection with the contracts, if desired;

b) make Eurex speakers and printed material available for seminars organized by the Designated Market Makers regarding EURO STOXX 50®, STOXX® Europe 50 or EURO STOXX® Select Dividend 30 Futures, if desired; and

c) consult the Designated Market Makers as a deliberative body on any proposed material changes to this product and its Contract Specifications, notwithstanding any legal obligations of Eurex, and only action the proposed material changes upon a quorum of those responding Designated Market Makers who deem such changes to be acceptable.

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 agreement and to publicly disclose the termination of the Designated Market Maker status at Eurex' discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. A Designated Market Maker deals as principal in the products of this program in a way that ordinarily has the effect of providing liquidity on a regular basis. Only orders for a participant's own account acting in that capacity qualify for the Designated Market Making program. A Participant is required to be able to separately identify to Eurex those orders.

6. 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 agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Scheme Obligations.

7. Eurex shall have the right to amend or expand one or more of the conditions laid down in this agreement 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 condition(s), the Designated Market Makers must, for their part, ensure that they can be contacted so that they can be promptly advised that this situation has ceased to exist.

8. Underlying indices of the EURO STOXX 50®, STOXX® Europe 50 and EURO STOXX® Select Dividend 30 Futures Index future contracts listed on Eurex include constituents which might be subject to short sale restrictions in certain markets of the European Union. The Designated Market Maker has to ensure that it complies with these restrictions and that participating in this program does not constitute a breach of any short sale restriction.

9. 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 December 31, 2012. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

10. The associated Scheme Obligations (attachment 1) are an integral part of this application.

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 application for the status of Designated Market Maker to the indicated fax number.