X-pand into the Future

eurex circular 223/10

Date: November 11, 2010
Sender: 1. Eurex Deutschland and Eurex Zürich
2. Eurex Clearing AG
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors, all Clearing-Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book

High priority

Equity Dividend Futures: Introduction of Swiss Single Stock Dividend Futures

Contact: Mehtap Dinc (Product Development), tel. +49-69-211-1 72 84,
e-mail: mehtap.dinc@eurexchange.com

Content may be most important for:

- All departments

Attachments:

Updated sections of the following rules and regulations:

Eurex Deutschland and Eurex Zürich

1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Eurex Clearing AG

2. Price List for Eurex Clearing AG
3. Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

Summary:

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG passed the following decisions which will become effective on **November 30, 2010**:

1. Introduction of ten Single Stock Dividend Futures Contracts (SSDFs) on dividends of Swiss shares
2. Introduction of a Designated Market Maker Scheme with respect to Swiss SSDFs.

Equity Dividend Futures: Introduction of Swiss Single Stock Dividend Futures

1. Introduction Date

The introduction of the new products will take place on November 30, 2010.

Eurex Deutschland and Eurex Zürich

To implement these decisions, 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 November 30, 2010.

Eurex Clearing AG

To implement the decisions of the Management Boards of the Eurex Exchanges, Eurex Clearing AG will adjust the Price List for Eurex Clearing AG (attachment 2) with regard to the clearing services it offers and the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation – attachment 3). These changes will also become effective on November 30, 2010.

2. Contract Specifications and Product Parameters

The following table contains all essential product parameters of the new SSDFs on dividends of Swiss shares:

Futures contracts on the dividends of shares ("Single Share Dividend Futures") on	Eurex Product Code	Eurex Product ISIN	Group ID	Cash Market ID	Contract Size	Minimum Price Change	Product Currency
ABB Ltd. - N. (ISIN: CH0012221716)	A2BB	DE000A1HTZH3	CH21	XVTX	1000	0.001	CHF
Compagnie Financière Richemont AG (ISIN : CH0045039655)	C2FR	DE000A1HTZK7	CH21	XVTX	1000	0.001	CHF
Credit Suisse Group - N. (ISIN: CH0012138530)	C2SG	DE000A1HTZG5	CH21	XVTX	1000	0.001	CHF
Nestlé S.A. - N. (ISIN: CH0038863350)	N2ES	DE000A1HTZC4	CH21	XVTX	1000	0.001	CHF
Novartis AG - N. (ISIN: CH0012005267)	N2OV	DE000A1HTZD2	CH21	XVTX	1000	0.001	CHF
Roche Holding AG (ISIN: CH0012032048)	R2OG	DE000A1HTZE0	CH21	XVTX	1000	0.001	CHF
Schweizerische Rückversicherungs-Gesellschaft AG - N. (ISIN: CH0012332372)	R2UK	DE000A1HTZL5	CH21	XVTX	1000	0.001	CHF
Swisscom AG - N. (ISIN: CH0008742519)	S2CM	DE000A1HTZM3	CH21	XVTX	1000	0.001	CHF
UBS AG - N. (ISIN: CH0024899483)	U2BS	DE000A1HTZF7	CH21	XVTX	1000	0.001	CHF
Zurich Financial Services AG - N. (ISIN: CH0011075394)	Z2UR	DE000A1HTZJ9	CH21	XVTX	1000	0,001	CHF

The outline specifications of the Swiss Single Stock Dividend Futures are as follows:

Contract Value	Contract value is the dividends of 1000 underlying shares (i.e. 1000 x gross dividends per share), in CHF.
Settlement	Contract is cash-settled, all values payable on the first exchange day following the final settlement day.
Price Quotation and Minimum Price Change	Price quotation is in CHF, with three decimal places. The Minimum Price Change is CHF 0.001.
Contract Years & Reference Period	The five nearest successive annual contracts of the December cycle. Each contract expiration will cover the annual dividend period up to and including the final settlement date; consequently, the annual dividend period will start on the day following the final settlement date in the preceding year. Each dividend will be determined as paid on the date that is declared ex-date by the underlying cash exchange. All dividends determined as paid within the contract period will be added to determine the final settlement price. Where the declared value differs from the one actually paid, the actual value paid will be used in determining the final settlement value.
Final Settlement Price **Final Settlement Day**	The final settlement price is established by Eurex on the Final Settlement Day at 12:00 CET, corresponding to the dividend for the respective company's business year. The final settlement prices will be rounded to four decimal places. The final settlement day of the Single Stock Dividend Futures contracts shall be the third Friday of the relevant December, provided that is an Exchange day; otherwise the trading day preceding that Friday shall be the final settlement day.
Corporate Actions	Corporate actions such as stock splits etc. (excluding dividend payments) will be handled according to the procedures of the equivalent equity option or Single Stock Futures at Eurex. The same applies for the adjustment of contract sizes and issuing of new contracts.

The detailed product parameters will be available on the Eurex website under the following path as of start of trading:

www.eurexchange.com > Trading > Products > Dividend Derivatives > Single Stock Dividend Derivatives

3. Risk Parameters

Risk parameters will be published on the Eurex website under the path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters & Initial Margins

4. Trading Hours (all times CET)

Trading hours of Swiss Single Stock Dividend Futures are as follows:

Pre-Trading Period	Continuous Trading	Post-Trading Full Period	OTC Block-Trading	Last Trading Day
07:30-08:30	08:30-17:30	17:30-20:30	08:30-18:30	12:00

5. Mistrade Ranges

Mistrade Ranges for the new Swiss SSDFs will be published on the Eurex website as of the relevant trading date under the following path:

www.eurexchange.com > Trading > Products > Dividend Derivatives > Single Stock Dividend Futures

6. Market-Making

Eurex enables interested Members to be Designated Market Makers for the new Swiss Single Stock Dividend Futures contracts. Designated Market Makers will ensure ongoing liquidity by providing quotes on the bid and ask side, subject to maximum spreads, for a specified minimum number of contracts in a defined number of the introduced products.

In addition, Designated Market Makers will undertake other obligations as to the efficient operation of the market by providing price information, such as daily price information, and be available for additional price verification at times as requested by Eurex.

In return, Eurex will grant its Designated Market Makers reimbursement of up to 50 percent of transaction fees for all transactions executed in the M-account up to and including December 31, 2012. Full scheme obligations and information about how to apply them will be released in due time prior to contract launch.

7. Data Vendor Codes

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

www.eurexchange.com > Trading > Products > Vendor Product Code Search

8. Transaction Limits, Minimum Size for Cross- and Pre-arranged Trades

The same values apply as for the already existing SSDFs.

9. Transaction Fees

Transaction fees are determined by the relevant group ID above and regular fees are as follows:

Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications	Regular Transactions	OTC Block Trades
CH 21	CHF 1.60	CHF 2.40

Please also see the Price List (attachment 3).

10. OTC Wholesale Facilities

The Swiss Single Stock Dividend Futures will be admitted to Block-Trading with a block trade size of one contract. Annex A of the General Conditions for Utilization of the OTC Trade Entry Facility has been amended accordingly (see attachment 3).

Members who are already registered for Block-Trading and/or Vola Trading may use the Block Trade Facility for the new SSDFs without any further action.

Members wishing to participate in the OTC Trade Entry Facilities for the first time should confirm their acceptance of the General Participation Conditions by signing the appropriate form and returning it to Eurex. In addition, where the member firm is a Non-Clearing Member, its General Clearer must sign and return the General Clearer's Declaration Agreement at the same time.

The necessary forms can be found on the Eurex website under the following path:

www.eurexchange.com > Documents > Forms > Trading Derivatives > Single Forms > OTC Trade Entry

If you have any questions or if you are interested in being a Designated Market Maker in these products, please contact Mehtap Dinc on tel. +49-69-211-1 72 84 or e-mail: mehtap.dinc@eurexchange.com.

November 11, 2010

****

MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

Annex C in relation to Contract Specifications:

Trading Hours Futures Contracts

Single Stock Dividend Futures

Group ID pursuant to Annex D	Pre-Trading Period	Continuous Trade	Post-Trading Full Period	OTC Trading	Last Trading Day Trade until
BE21 CH21 DE21 ES21 FR21 FI21 IE21 IT21 NL21	07:30-08:30	08:30-17:30	17:30-20:30	08:30-18:30	12:00

All times in CET

Annex D in relation to subsection 1.15 of the Contract Specifications:

Futures contracts on the dividends of Shares ("Single Stock Dividend Futures")	Product ID	Group ID*	Cash Market-ID*	Contract Size	Minimum Price Change	Currency
[…]						
Nestle S.A. – N.	N2ES	CH21	XVTX	1000	0.001	CHF
Novartis AG – N.	N2OV	CH21	XVTX	1000	0.001	CHF
Roche Holding AG	R2OG	CH21	XVTX	1000	0.001	CHF
UBS AG – N.	U2BS	CH21	XVTX	1000	0.001	CHF
Credit Suisse Group AG – N.	C2SG	CH21	XVTX	1000	0.001	CHF
ABB Ltd. – N.	A2BB	CH21	XVTX	1000	0.001	CHF
Zurich Financial Services AG – N.	Z2UR	CH21	XVTX	1000	0.001	CHF
Compagnie Financière Richemont AG	C2FR	CH21	XVTX	1000	0.001	CHF

Futures contracts on the dividends of Shares ("Single Stock Dividend Futures")	Product ID	Group ID*	Cash Market-ID*	Contract Size	Minimum Price Change	Currency
Schweizerische Rückversicherungs-Gesellschaft AG - N.	R2UK	CH21	XVTX	1000	0.001	CHF
Swisscom AG – N.	S2CM	CH21	XVTX	1000	0.001	CHF
[…]						

Group ID	Relevant Cash Market	ID of Cash Market
[…]		
CH21	Elektronisches Handelssystem der SIX Swiss Exchange AG	XSWX, XVTX
[…]		

****

MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

3.1 Matching of Exchange Transactions / Recording of Derivatives Transactions (Trade)

3.1.1 Exchange Transactions

3.1.1.1 Regular Transactions

Contract	Fee per Contract A and P Accounts	Fee per Contract M-Accounts (Regular Market-Making)*	Fee per Contract M-Accounts (Permanent Market-Making)*	Fee per Contract M-Accounts (Advanced Market-Making)*
[…]				
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 100				
DE21, FR21	EUR 0.40			
BE21, ES21, FI21, IE21, NL21	EUR 0.20			
IT21	EUR 0.04			
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000				
DE21, BE21, ES21, FR21, FI21, IE21, NL21	EUR 1.20			
CH21	CHF 1,60			
IT21	EUR 0.40			
[…]				

3.1.2 OTC Transactions

3.1.2.1 Fees for OTC Entries – Block Trades

Contract	Fee per Contract A-and P-Accounts	Fee per Contract M-Accounts (Regular Market-Making)*	Fee per Contract M-Accounts (Permanent Market-Making)*	Fee per Contract M-Accounts (Advanced Market-Making)*
[…]				
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 100				
DE21, FR21	EUR 0.60			
BE21, ES21, FI21, IE21, NL21	EUR 0.30			
IT21	EUR 0.06			
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000				
DE21, BE21, ES21, FR21, FI21, IE21, NL21	EUR 1.80			
CH21	CHF 2,40			
IT21	EUR 0.60			
[…]				

3.2 Position Closing Adjustments

Position Closing Adjustments, if these do not take place between 13:30 CET on the day of trade and before 13:30 CET of the following trading day:

Contract:	Fee per Contract:
[…]	
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 100	
DE21, FR21	EUR 0.80
BE21, ES21, FI21, IE21, NL21	EUR 0.40
IT21	EUR 0.08
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000	
DE21, BE21, ES21, FR21, FI21, IE21, NL21	EUR 2.40
CH21	CHF 3,20
IT21	EUR 0.80
[…]	

3.3 Cash Settlement

Contract:	Fee per Contract:	Maximum Fee for Contracts on the same underlying of each A-, P- and M-accounts
[…]		
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 100		
DE21, FR21	EUR 0.40	
BE21, ES21, FI21, IE21, NL21	EUR 0.20	
IT21	EUR 0.04	
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000		
DE21, BE21, ES21, FR21, FI21, IE21, NL21	EUR 1.20	
CH21	CHF 1,60	
IT21	EUR 0.40	
[…]		

****

MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

Annex A to the General Conditions for Participation:
OTC Periods of Use (all times in CET)

Futures-Contracts

[…]

Single Stock Dividend Futures with Group ID assigned pursuant to Annex D of the Eurex Contract Specifications	
BE21 CH21 DE21 ES21 FR21 FI21 IE21 IT21 NL21	08:30-18:30

[…]