



eurex clearing *circular 079/13*

Date: 2 July 2013
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book

 **Action required**

 **High priority**

Market-Making in option strategies

Related Eurex Circular: 145/13

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Content may be most important for:

 All departments

Attachments:

Updated sections of the Price List for Eurex Clearing AG

The Executive Board of Eurex Clearing AG decided on a new pricing model for Market-Making in option strategies effective **1 November 2013**. The details of the adjustments are as follows:

1. Reduction of the Market-Making rebates in products with Market-Making for option strategies by ten percentage points.
2. Introduction of rebates for Market-Making in option strategies of ten percent for the relevant products. If the published Market Maker Obligations (AMM/PMM) are not fulfilled, the rebates for Market-Making in option strategies will not be applied.

Please refer to Eurex circular 145/13, to the attachment to this circular as well as to the published Market Maker Obligations on the Eurex website www.eurexchange.com under the following link:

Trading > Market model > Market-Making

for the list of affected products and exact parameters.



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Chairman of the
 Supervisory Board:
 Hugo Bänziger

Executive Board:
 Thomas Book (CEO),
 Jürg Spillmann (Deputy CEO),
 Heike Eckert, Thomas Laux,
 Erik Tim Müller, Andreas Preuss

Aktiengesellschaft mit
 Sitz in Frankfurt/Main
 HRB Nr. 44828
 Amtsgericht
 Frankfurt/Main

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

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

[...]

3.2 Rebates3.2.1 Market Making Rebates for Products without Market Making in Option Strategies

3.2.2 Market Making Rebates for Products with Market Making in Option Strategies

3.2.3~~2~~ Volume Rebates

[...]

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

[...]

3.2 Rebates**3.2.1 Market Making Rebates for Products without Market Making in Option Strategies**

Upon fulfilment of the published Market Making ~~Requirements~~Obligations, parts of the fees pursuant to Numbers 3.1.1, 3.1.3 and 3.7 for transactions correctly booked on M-Accounts are refunded on a monthly basis. The rebate levels are as follows, however, taking into consideration Number 3.2.2 with regard to products with Market Making in Option Strategies:

| Product / Product Group | RMM and PMM schemes | | AMM schemes | |
|---|--------------------------|-------------|--------------------------|-------------|
| | Order Book and Exercises | OTC entries | Order Book and Exercises | OTC entries |
| Equity Index Options <u>without Market Making in</u> | 55 % | 40 % | 80 % | 60 % |

Price List for Eurex Clearing AG

As of 01.11.2013

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| | | | | |
|--|------|-------|-------|-------|
| <u>Option Strategies</u> | | | | |
| Equity Options <u>without Market Making in Option Strategies</u> | 55 % | 40 % | 80 % | 60 % |
| Eurex-KOSPI-Daily-Futures-Contracts | 50 % | 50 % | n. a. | n. a. |
| Gold-Futures, Silver-Futures, Gold-Options, Silver-Options | 75 % | n. a. | n. a. | n. a. |
| Options on Exchange Traded Index Fund Shares | 50 % | 50 % | 75 % | 75 % |
| Options on Three-Month EURIBOR Future, One-Year EURIBOR Mid-Curve Options on Three-Month EURIBOR Future | 80 % | 80 % | n. a. | n. a. |
| Options on Euro-Bund, Options on Euro-Bobl, Options on Schatz Future | 80 % | 70 % | 90 % | 85 % |
| Xetra-Gold®-Options | 50 % | n. a. | n. a. | n. a. |

For OTC-Entries via the Flexible Options facility, market making rebates are not granted.

3.2.2 Market Making Rebates for Products with Market Making in Option Strategies

For products with Market Making in Option Strategies, the fees pursuant to Numbers 3.1.1, 3.1.3 and 3.7 for transactions correctly booked on M-Accounts are in part refunded on a monthly basis upon fulfilment of the published Market Making Obligations. The rebate levels are as follows:

| <u>Product / Product Group</u> | <u>PMM schemes</u> | | <u>AMM schemes</u> | |
|--|---------------------------------|--------------------|---------------------------------|--------------------|
| | <u>Order Book and Exercises</u> | <u>OTC entries</u> | <u>Order Book and Exercises</u> | <u>OTC entries</u> |
| Equity Index Options with <u>Market Making in Option Strategies</u> | <u>45 %</u> | <u>30 %</u> | <u>70 %</u> | <u>50 %</u> |
| Equity Options with <u>Market Making in Option Strategies</u> | <u>45 %</u> | <u>30 %</u> | <u>70 %</u> | <u>50 %</u> |
| Options on Euro-Bund, Options on Euro-Bobl, Options on Schatz-Future | <u>70 %</u> | <u>60 %</u> | <u>80 %</u> | <u>75 %</u> |

For products with Market Making in Option Strategies, the fees pursuant to Numbers 3.1.1, 3.1.3 and 3.7 for transactions correctly booked on M-Accounts are in part refunded on a monthly basis upon fulfilment of the published Market Making Obligations and additional fulfilment of the published Market Making Obligations in Option Strategies. Without fulfilment of the published Market Making Obligations, the rebates for the published Market Making Obligations in Option Strategies do not apply. The rebate levels are as follows:

| <u>Product / Product Group</u> | <u>PMM schemes</u> | | <u>AMM schemes</u> | |
|---|---------------------------------|--------------------|---------------------------------|--------------------|
| | <u>Order Book and Exercises</u> | <u>OTC entries</u> | <u>Order Book and Exercises</u> | <u>OTC entries</u> |
| <u>Equity Index Options with Market Making in Option Strategies</u> | 10 % | 10 % | 10 % | 10 % |
| <u>Equity Options with Market Making in Option Strategies</u> | 10 % | 10 % | 10 % | 10 % |
| <u>Options on Euro-Bund, Options on Euro-Bobl, Options on Schatz-Future</u> | 10 % | 10 % | 10 % | 10 % |

For OTC-Entries via the Flexible Options facility, market making rebates are not granted.

3.2.32 Volume Rebates

[...]

12. Transaction Fees for OTC Interest Rate Derivative Transactions

[...]

12.1 Clearing Fees

The fees outlined in Numbers 12.2 to 12.5 apply to OTC Interest Rate Derivative Transactions (Chapter VIII Part 3 of the Clearing Conditions). In general, the fees are based on the underlying cleared notional amount (the "**OTC Interest Rate Derivative Notional Amount**") and the currency of the relevant transaction. In addition, Numbers 12.2 to 12.5 of the Clearing Conditions apply to the calculation of the respective fee.

[...]

12.2 Standard Pricing Model

[...]

12.2.2 Maintenance fee

- (1) The maintenance fee shall be EUR 0.007 (in case the relevant Trade Currency is not Euro, the same amount (0.007) shall be applied in the relevant Trade Currency without currency conversion) per million notional OTC Interest Rate Derivative Notional Amount and day in the relevant Trade Currency. The maintenance fee for current OTC Interest Rate Derivative Transactions shall be determined on a daily basis and calculated at the end of a calendar month. Number 14 Paragraph (4) shall not apply.

[...]