X-pand into the Future

eurex circular 120/17

Date: 3 November 2017
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Michael Peters

Options on Exchange Traded Funds (EXTF options): Introduction of options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF

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Content may be most important for:

➲ All departments

Attachments:

1. Amended sections of Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Market Maker Agreement
3. Market-Making Requirements and Incentives
4. CSD-Selection form
5. Eurex Clearing circular 109/17

Summary:

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to introduce options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF, with effect from **20 November 2017**.

This circular contains information about the following topics:

Introduction date, contract specifications, trading hours, risk parameters, transaction fees, Market-Making and necessary preparations prior to start of trading.

Information on clearing of the new products as well as the updated sections of the relevant Rules and Regulations of Eurex Clearing AG are contained in Eurex Clearing circular 109/17 which we are providing to our Trading Participants as attachment 5.

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Options on Exchange Traded Funds (EXTF options): Introduction of options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF

1. Introduction

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to introduce options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF, with effect from 20 November 2017.

Introducing options contracts on fixed-income ETFs, Eurex Deutschland and Eurex Zürich (collectively: the Eurex Exchanges) complement their existing product offering. European fixed-income ETFs have seen growing assets under management. The introduction of options on European fixed income ETFs will give market participants an efficient and cost-effective instrument that extends hedging and trading opportunities.

Introduction of the options contracts will take place on 20 November 2017. It will be supported by a Market-Making scheme.

Eurex Deutschland and Eurex Zürich

To implement these decisions, the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (Contract Specifications) will be amended as specified in attachment 1 with effect from 20 November 2017.

2. Contract Specifications and product parameters

Underlying	iShares USD High Yield Corporate Bond ETF iShares J.P. Morgan USD Emerging Market Bond ETF iShares USD Corporate Bond ETF
Currency	USD
Contract months	Maturities up to 12 months: The three nearest successive calendar months, the three following quarterly months of the March, June, September and December cycle
Last trading day (option expiration day)	Third Friday of the expiration month
Final settlement day	Physical Delivery: Settlement in t+2 business days after the last trading day
Exercise (Prices)	American-style, with exercise price intervals of 0.5 index points for the first three monthly contracts, and 1.0 index points for the back months, with at least seven exercise prices available for each term for each call and put
Daily settlement price	Determined based on the Cox/Ross/Rubinstein model
Settlement	Physical delivery of 100 index fund shares
Minimum tick	0.01 USD
Block trading	Allowed. Block Trade Minimum Size: 100 contracts
Fees	Orderbook: USD 0.30, Off-Book: USD 0.40

The trading hours match those of existing EXTF options, details of which are set out in the Contact Specifications. The Contract Specifications (attachment 1) were amended accordingly for introduction of the new products.

The updated Contract Specifications will be published on the Eurex website www.eurexchange.com as of start of trading under the following link:

Resources > Rules and Regulations > Contract specifications

3. Underlying instruments

Product code	Underlying ETF	Currency	Underlying ISIN	Ticker
OHYU	iShares USD High Yield Corporate Bond ETF	USD	IE00B4PY7Y77	IHYU LN
OEMB	iShares J.P. Morgan USD Emerging Market Bond ETF	USD	IE00B2NPKV68	IEMB LN
OQDE	iShares USD Corporate Bond ETF	USD	IE0032895942	LQDE LN

4. Trading hours (all CET)

Product	Pre-trading	Trading	Post-Trading	Off-Book-Trading	Last Trading Day	
					Trading until	Exercise until
Options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF	07:30-08:51	08:51-17:30	17:30-20:00	09:00-19:00	17:30	20:00

5. Product groups

The new EXTF options will be allocated to the following product groups:

Product code	ISIN	Name	Product assignment group
OHYU	DE000A2G9SQ5	Options on iShares USD High Yield Corporate Bond ETF	NNSHFU
OEMB	DE000A2G9QK2	Options on iShares J.P. Morgan USD Emerging Market Bond ETF	NNSHFU
OQDE	DE000A2G9QL0	Options on iShares USD Corporate Bond ETF	NNSHFU

6. Risk parameters

Margin parameters will be published in due course on the Eurex website under the link:

Market data > Clearing data > Risk parameters and initial margins

7. Data vendor codes

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

Products > Vendor product codes

8. Eurex T7 Entry Services (TES)

The minimum number of tradable contracts for the new products via the Eurex T7 Entry Services is 100 contracts.

An overview of the Eurex T7 Entry Services available for the products as well as detailed information with regard to availability, possibility of utilisation and minimum number of tradable contracts for the various Entry Services is available on the Eurex website under the following link:

Trading > Eurex T7 Entry Services

9. Transaction fees

Product	Orderbook transactions	Off-Book transactions
Options on iShares USD High Yield Corporate Bond ETF	USD 0.30	USD 0.40
Options on iShares J.P. Morgan USD Emerging Market Bond ETF	USD 0.30	USD 0.40
Options on iShares USD Corporate Bond ETF	USD 0.30	USD 0.40

10. Market-Making

As Market Makers in options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF, Eurex Participants agree to supply bid and ask prices (quotes) for a determined minimum number of contracts during a fixed period of time for a defined maximum spread. Market-Making will be in place between 20 November 2017 and 31 December 2017.

Please refer to attachment 3 for details and exact parameters (quote requirements) of the Market-Making scheme.

Participants who are interested in taking part are requested to fill in and return the attached Market Maker Agreement (attachment 2) to Samuel Price, Product R&D Fixed Income, Fax no. +44-207-862-93 47, or via e-mail to samuel.price@eurexchange.com.

11. Necessary preparations for the start of trading

All Eurex Trading Participants (General-, Direct- or Non-Clearing Members at Eurex Clearing) who wish to participate in trading in options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF at the Eurex Exchanges and General Clearing Members whose Non-Clearing Members wish to participate in trading at the Eurex Exchanges, must complete the CSD-Selection form (attachment 4) for settlement account settings for derivative deliveries. This activates the CBF 6-series (CBL) account for EXTF options denominated in USD necessary to trade options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF.

Trading in options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF will start on Monday, 20 November 2017.

On this day, orders and quotes may be entered in Eurex Exchange's T7 as of 07:30 CET.

If you have any questions or require further information, please contact Samuel Price at T: +44-207-862-73 47 or samuel.price@eurexchange.com.

3 November 2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Part 2 Contract Specifications for Options Contracts

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Subpart 2.5 Contract Specifications for Options Contracts on Shares of Exchange-Traded Funds (EXTF-Options)

The following subpart contains contract specifications for Options Contracts shares of exchange-traded funds ("EXTF-Options").

2.5.1 Subject Matter of Contract

Options Contracts on the following shares of Exchange-traded funds are available for trading at the Eurex Exchanges. In each case, for all options contracts is the reference market the Electronic Trading System of the Frankfurter Wertpapierbörse, unless otherwise is noted:

- db x-trackers MSCI Emerging Markets TRN ETF
- db x-trackers MSCI Europe TRN ETF
- db x-trackers MSCI World TRN ETF
- iShares Core FTSE 100 UCITS (Dist) (London Stock Exchange LSE)
- iShares Core MSCI World UCITS ETF (London Stock Exchange LSE)
- iShares Core S&P 500 UCITS ETF (London Stock Exchange LSE)
- iShares DAX® (DE)
- iShares EURO STOXX® 50
- iShares EURO STOXX Banks 30-15 UCITS ETF (DE)
- iShares J.P. Morgan USD Emerging Market Bond ETF (London Stock Exchange LSE)
- iShares MSCI Emerging Markets UCITS ETF (Dist) (London Stock Exchange LSE)
- iShares MSCI Europe UCITS ETF (Dist)
- iShares SMI® (SIX Swiss Exchange AG)
- iShares STOXX Europe 600 UCITS ETF (DE)
- iShares USD Corporate Bond ETF (London Stock Exchange LSE)
- iShares USD High Yield Corporate Bond ETF (London Stock Exchange LSE)

EXTF-Options shall generally cover 100 shares of an underlying Exchange-traded fund. Options Contracts on the iShares Core FTSE 100 UCITS (Dist) cover 1,000 shares.

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2.5.7 Exercise Prices

(1) Options series of Options Contracts on the following shares of exchange-traded funds may have the following exercise prices:

Exchange-Traded Funds	Exercise Price Intervals for Terms		
	up to three months	four to 12 months	more than 12 months
iShares Core FTSE 100 (Dist)	10.00	20.00	40.00
iShares Core MSCI World	0.50	1.00	2.00
iShares Core S&P 500	5.00	10.00	20.00
iShares DAX® (DE)	1.00	2.50	5.00
iShares J.P. Morgan USD Emerging Market Bond ETF	0.50	1.00	n/a
iShares EURO STOXX 50®	0.50	1.00	2.00
iShares EURO STOXX Banks (DE)	0.50	1.00	2.00
iShares MSCI Emerging Markets (Dist)	0.50	1.00	2.00
iShares MSCI Europe (Dist)	0.50	1.00	2.00
iShares SMI®	1.00	2.50	5.00
iShares STOXX Europe 600 (DE)	0.50	1.00	2.00
iShares USD Corporate Bond ETF	0.50	1.00	n/a
iShares USD High Yield Corporate Bond ETF	0.50	1.00	n/a

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Part 3 Contracts Off-Book

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3.2.1 Block trades

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Product		**Minimum number of contracts traded**
Standard	Additional contract versions Y/N	
[…]		
Options Contracts on Shares of Exchange-Traded Funds: EURO STOXX 50® (EUN2) iShares EURO STOXX Banks 30-15 (DE) (EXX1)	Y	5,000
Options Contracts on Shares of Exchange-Traded Funds: iShares STOXX Europe 600 (DE) (EXSA)	Y	2,000
Options Contracts on Shares of Exchange-Traded Funds: iShares Core MSCI World (IWDA) iShares MSCI Emerging Markets (Dist) (IDEM)	Y	1,000
Options Contracts on Shares of Exchange-Traded Funds: iShares Core FTSE 100 (Dist) (ISF) iShares Core S&P 500 (CSPX)	Y	750
Options Contracts on Shares of Exchange-Traded Funds: iShares MSCI Europe (Dist) (IQQY)	Y	1,500
Options Contracts on Shares of Exchange-Traded Funds: db x-trackers ETFs	Y	100
Options Contracts on Shares of Exchange Traded Funds: iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF	Y	100
[…]		

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Annex C in relation to Contract Specifications:

[…]

Index Options Contracts

Product	Product ID	Pre-Trading Period	Continuous Trading	Post-Trading Period Until	Off-book Trading Period	Off-book Post-Trading Period until	Last Trading Day	
							Trading Until	Exercise until
[…]								
EURO STOXX® Small Index Optionskontrakte	OSCE	07:30-09:00	09:00-17:30	20:30	09:00-19:00	19:15	12:00	20:30
iShares USD High Yield Corporate Bond ETF Options Contract	OHYU	07:30-08:51	08:51-17:30	20:00	09:00-19:00	19:15	17:30	20:00
iShares J.P. Morgan USD Emerging Market Bond ETF Options Contract	OEMB	07:30-08:51	08:51-17:30	20:00	09:00-19:00	19:15	17:30	20:00
iShares USD Corporate Bond ETF Options Contract	OQDE	07:30-08:51	08:51-17:30	20:00	09:00-19:00	19:15	17:30	20:00
[…]								

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Please return by fax or e-mail to:

Samuel Price
Fax no. +44-207-862-93 47
samuel.price@eurexchange.com

Market Maker Agreement for Options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF

dated as of: _____

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

_____ ("Participant")

(name of Participant/Member ID)

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

Options on	Eurex product code	Please tick (✓) the appropriate box
Options on iShares USD High Yield Corporate Bond ETF	OHYU	☐
Options on iShares J.P. Morgan USD Emerging Market Bond ETF	OEMB	☐
Options on iShares USD Corporate Bond ETF	OQDE	☐

for the period from 20 November 2017 until 31 December 2017. The measurement and qualification as Market Maker is evaluated on Eurex Trading Member level. Therefore, only one Market Maker per Eurex Trading Member can qualify.

2. The Participant will

a) fulfil the Market-Making Requirements as set out by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG ("Eurex Market-Making Requirements") and published via Eurex circular. The Eurex Market-Making Requirements 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 Requirements.

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 Requirements without undue delay and at the latest within one business day.

3. ECAG will

a) refund 100 percent of all transaction fees (order book and off-book-transactions on the Eurex Exchanges) for the contracts traded by the Market Makers on M-accounts in Options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF from 20 November 2017 up to and including 31 December 2017. 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 Requirements 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 from 20 November 2017 up to and including 31 December 2017 in which 50 percent of the net revenues (transaction fees minus rebates) in Options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF will be distributed among the top three Market Makers on a monthly basis according to the ranking of one single Market Maker out of the total trading volume of the top three Market Makers (based on M account volumes). The top market maker will receive 25 percent of the net transaction fees, while 15 percent and 10 percent of the net transaction fees will be shared with the market makers ranked 2 and 3.

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 Requirements for four consecutive months counted as of the date of this Agreement. Conformance of the Participant with the Eurex Market-Making Requirements shall be monitored by EFAG. EFAG will determine in its sole discretion whether the Participant has fulfilled the Eurex Market-Making Requirements.

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

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

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

2. A significant change to the Eurex Market-Making Requirements.

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 or e-mail address indicated on page 1.

Market-Making Requirements

Available Market-Making Building Blocks

For all mentioned products, the Basis Building Block is offered from 20 November 2017 until 31 December 2017. Upon fulfilment of the Basis Block requirements, Market Makers can additionally qualify for a revenue sharing.

Product	Product ID	Basis Block	Revenue Sharing
Options on IHYU	OHYU	✓	✓
Options on IEMB	OEAC	✓	✓
Options on LQDE	OEMB	✓	✓

Basis Building Block Requirements

Market Makers shall continuously quote for an average of 80 percent of the trading period between 09:00 and 17:30 CET (calculated on a monthly average) on each trading day per calendar month. Asymmetric quotation is allowed. Liquidity Providers are required to quote calls and puts in five strike prices each from a window of seven strikes around the current underlying price in all expiration months; this means ten series have to be quoted in total for every expiration month. Asymmetric quotation is allowed. RFQs must not be answered. The following Basis Building Block quotation requirements apply:

Product		Product ID	Basis Block Spread Class	Basis Block Min. Quote Size	Number of expirations to be quoted; the first
Options on IHYU		OHYU	7	10	6
Options on IEMB		OEMB	7	10	6
Options on LQDE		OQDE	7	10	6

Basis Building Block Requirements:	
Bid Prices up to:	**Spread Class 7**
0 – 1.50	**0,3**
1.51 – 15.00	**20%**
> 15.00	**3**

Product ID	Basis Block	Package Block	Strategy Block	Larger Size Block	Tighter Spread Block	Stress Presence Block
	BBB	**PBB**	**CBB**	**LBB**	**TBB**	**SBB**
OHYU, OEMB, OQDE	✓					

Market-Making Incentives

Fee Rebate

Upon fulfilment of Basis Building Block requirements, Market Makers receive a 100 percent fee rebate on the M-accounts per product both for off-book and on-book transactions from 20 November 2017 until 31 December 2017. The evaluation takes place on a monthly basis.

	Building Block	Order Book	Off-book
Until 31.12.2017	Basis	100%	100%

Revenue Sharing

Upon fulfilment of the Basis Block requirements Market Makers can additionally qualify for a revenue sharing. The revenue sharing scheme is available from 20 November 2017 until 31 December 2017.

Per product, 50 percent of the net revenues will be distributed among the top three Market Makers according to the ranking of one single Market Maker out of the total trading volume of the top three fulfilling Market Makers (based on M-account volumes). The top market maker will receive 25 percent of the net revenues while 15 percent and 10 percent of the net revenues will be shared with the Market Makers ranked 2 and 3.

clear to trade

eurex clearing *circular 109/17*

Date: 3 November 2017
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Options on Exchange Traded Funds (EXTF options): Introduction of options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF

Related Eurex circular: 120/17

Contact: Clearing Operations, 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:	**Attachments:**
➲ All departments	none

Summary:

Effective **20 November 2017,** Eurex Clearing AG (Eurex Clearing) will offer clearing services for options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF introduced at Eurex Deutschland and Eurex Zürich (collectively: the Eurex Exchanges).

This circular contains information on clearing of the respective products which will be introduced on 20 November 2017.

Please refer to Eurex circular 120/17 for specific trading-related information on the introduction of the new products as well as the updated sections of the relevant Rules and Regulations of the Eurex Exchanges.

eurex clearing

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Thomas Laux,
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Amtsgericht Frankfurt/Main

Options on Exchange Traded Funds (EXTF options): Introduction of options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF

Effective 20 November 2017, Eurex Clearing AG (Eurex Clearing) will offer clearing services for options contracts on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF introduced at Eurex Deutschland and Eurex Zürich (collectively: the Eurex Exchanges).

This circular contains information on clearing of the respective products which will be introduced on 20 November 2017.

Please refer to Eurex circular 120/17 for specific trading-related information on the introduction of the new products as well as the updated sections of the relevant Rules and Regulations of the Eurex Exchanges.

1. Overview

Product Code	Underlying ETF	Currency	Underlying ISIN	Ticker
OHYU	iShares USD High Yield Corporate Bond ETF	USD	IE00B4PY7Y77	IHYU LN
OEMB	iShares J.P. Morgan USD Emerging Market Bond ETF	USD	IE00B2NPKV68	IEMB LN
OQDE	iShares USD Corporate Bond ETF	USD	IE0032895942	LQDE LN

2. Contract specifications

For the detailed contract specifications, please refer to Eurex circular 120/17.

Underlying	iShares USD High Yield Corporate Bond ETF iShares J.P. Morgan USD Emerging Market Bond ETF iShares USD Corporate Bond ETF
Currency	USD
Contract months	Maturities up to 12 months: The three nearest successive calendar months, the three following quarterly months of the March, June, September and December cycle
Last trading day (option expiration day)	Third Friday of the expiration month
Final settlement day	Physical Delivery: Settlement in t+2 business days after the last trading day
Exercise (Prices)	American-style, with exercise price intervals of 0.5 index points for the first three monthly contracts, and 1.0 index points for the back months, with at least seven exercise prices available for each term for each call and put
Daily settlement price	Determined based on Cox/Ross/Rubinstein model
Settlement	Physical delivery of 100 index fund shares
Minimum tick	0.01 USD

Block trading	Allowed. Block Trade Minimum Size: 100 contracts
Fees	Orderbook: USD 0.30, Off-Book: USD 0.40

3. Product groups

The product groups assigned to the new EXTF options are as follows:

Product ID	ISIN	Name	Product assignment group
OHYU	DE000A2G9SQ5	Options on iShares USD High Yield Corporate Bond ETF	NNSHFU
OEMB	DE000A2G9QK2	Options on iShares J.P. Morgan USD Emerging Market Bond ETF	NNSHFU
OQDE	DE000A2G9QL0	Options on iShares USD Corporate Bond ETF	NNSHFU

4. Transaction fees

The following fees for trading and clearing apply for the new EXTF options:

Product	Orderbook transactions	Off-Book transactions
Options on iShares USD High Yield Corporate Bond ETF	USD 0.30	USD 0.40
Options on iShares J.P. Morgan USD Emerging Market Bond ETF	USD 0.30	USD 0.40
Options on iShares USD Corporate Bond ETF	USD 0.30	USD 0.40

5. Market-Making

Effective 20 November 2017, the following measures of Eurex Clearing will come into effect:

- Introduction of Market-Making scheme for the new EXTF options, valid from 20 November 2017 until 31 December 2017. Upon fulfilment of the relevant Market Making obligation, the participants shall receive a total refund of the transaction fees for the new EXTF options contracts traded on the M-account in the electronic order book and for off-book transactions on a monthly basis.
- Furthermore, Eurex Clearing offers a revenue sharing in which 50 percent of the net revenues, i.e. transaction fees paid by all exchange participants trading the new EXTF options and collected by Eurex Clearing (less any Market-Making rebates granted) from 20 November until 31 December 2017 are distributed. 50 percent of the net transaction fees will be distributed among the top five fulfilling Market Makers on a monthly basis according to the ranking of one single Market Maker out of the total trading volume of the top five Market Makers (based on M-account volumes). The top Market Maker will receive 25 percent of the net transaction fees, while 15 and 10 percent of the net transaction fees will be shared with the Market Makers ranked second and third.

The relevant conditions and details as well as the exact parameters of the Market-Making scheme in the respective products can be found in Eurex circular 120/17.

Participants who are interested in taking part are requested to fill in and return the Market Maker Agreement (attachment 2 to Eurex circular 120/17) to Samuel Price, Product R&D Fixed Income, via fax +44-207-862-93 47 or via e-mail: samuel.price@eurexchange.com.

6. Risk parameters

Margins for the new products are calculated in Prisma.

For the risk parameters of the new products, please refer to the Eurex Clearing website www.eurexclearing.com under the following link:

Risk management > Risk parameters

7. Trading hours (CET)

Product	Pre-trading	Trading	Post-trading	Offbook-trading	Last trading day	
					Trading until	Exercise until
Options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF	07:30-08:51	08:51-17:30	17:30-20:00	09:00-19:00	17:30	20:00

8. Necessary preparations for the start of trading

All Eurex Trading Participants (General-, Direct- or Non-Clearing Members at Eurex Clearing) who wish to participate in trading in options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF at the Eurex Exchanges and General Clearing Members whose Non-Clearing Members wish to participate in trading at the Eurex Exchanges, must complete the CSD-Selection form (attachment 4 to Eurex circular 120/17) for settlement account settings for derivative deliveries. This activates the CBF 6-series (CBL) account for EXTF options denominated in USD necessary to trade options on iShares USD High Yield Corporate Bond ETF, iShares J.P. Morgan USD Emerging Market Bond ETF and iShares USD Corporate Bond ETF.

If you have any questions or require further information, please contact Clearing Operations at tel. +49-69-211-1 12 50 or send an e-mail to: clearing@eurexclearing.com. Alternatively, Risk Control is available at tel. +49-69-211-1 24 52 or via e-mail to: risk@eurexclearing.com.

3 November 2017