X-pand into the Future

eurex circular 116/16

Date: 30 November 2016
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

MSCI index derivatives: A. Adjustment of expiration and last trading day; B. Adjustment and extension of existing Market-Making schemes; C. Introduction of volume-based revenue sharing scheme

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Content may be most important for:

➲ All departments

Attachments:

1. Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Market-Making Scheme for Futures and Options on MSCI Indices
3. Designated Market Maker Agreement for Futures on MSCI Indices
4. Volume Provider Incentive Scheme for Futures on MSCI Indices
5. Volume Provider Agreement for Futures on MSCI Indices

Summary:

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG took the following decisions:

1. Adjustment of expiration and last trading day in MSCI index derivatives
2. Adjustment of existing Market-Making schemes for MSCI index futures and options and extension until **31 December 2017**
3. Introduction of a volume-based revenue sharing scheme

This circular contains all information on the extension, adjustment and enhancement of incentive schemes and the registration forms for Designated Market-Making and volume-based revenue sharing scheme.

Information about the related decisions to be passed by Eurex Clearing AG will be published in a separate Eurex Clearing circular at a later date. Thus the new schemes are subject to the corresponding decisions by Eurex Clearing AG.

MSCI index derivatives: A. Adjustment of expiration and last trading day; B. Adjustment and extension of existing Market-Making schemes; C. Introduction of volume-based revenue sharing scheme

A. Adjustment of expiration and the last trading day

With effect from **16 January 2017**, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to execute the following adjustments for equity index futures and equity index options on MSCI indices:

The expiration of all MSCI index futures will be adjusted to quarterly expirations, i.e. instead of previously four quarterly expirations, followed by four half-yearly expirations, twelve quarterly expirations will be offered. The maximum expiration time of 36 months will remain unchanged.

Furthermore, the determination of the last trading day for MSCI index derivatives will be harmonized. Until now, for the determination of the last trading day, the national public holidays have been taken into account for derivatives on single countries. However, this could lead to deviations between the prices of country indices and regional indices used in final settlement, e.g. by updated FX prices or instruments being listed at other Exchanges (ADRs). Therefore, as of 16 January 2017, all MSCI derivatives will be adjusted by default to the third Friday as last trading day. In particular, this also refers to the futures on MSCI Qatar, UAE and Egypt, where previously the last trading day was the Thursday before the third Friday.

Expirations already included with open interest at the time of the conversion will remain unchanged, as long as positions are open.

For the adjusted Contract Specifications, please refer to attachment 1.

B. Adjustment and extension of existing Market-Making schemes

With effect from **1 January 2017**, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to extend and adjust the existing Market-Making scheme for MSCI index futures and options and adjust the additional Designated Market-Making scheme ("MSCI Package") including revenue sharing for MSCI index futures:

1. The existing schemes will be extended in an adjusted version until and including 31 December 2017.
2. Instead of the previous "MSCI Package", two different packages ("Developed Markets Package" and "Emerging Markets Package") will be offered.

The detailed quote obligations and incentives are outlined in the "Market-Making Scheme for Futures and Options on MSCI Indices" attached to this circular (attachment 2).

In attachment 3 you will find the application form for Designated Market-Making in MSCI Index Futures. All interested Designated Market Makers, also those who are already active as Market Makers in MSCI futures, are asked to sign the application form

A registration for Permanent Market-Making in MSCI index options is not necessary.

C. Revenue sharing scheme for volume providers

In order to further support liquidity in MSCI futures, a volume-based revenue sharing scheme will be offered as of **1 December 2016** until and including end of 2017. The details of this scheme are outlined in the attached "Volume Provider Incentive Scheme for Futures on MSCI Indices" (attachment 4). Interested Participants have to explicitly apply for this scheme via the attached "Volume Provider Agreement for Futures on MSCI Indices" (attachment 5).

30 November 2016

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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1. Part: Contract Specifications for Futures Contracts

[…]

1.3 Subpart: Contract Specifications for Index Futures Contracts

The following subpart contains contract specifications for Futures contracts on stock index („Index Futures Contracts“).

[…]

1.3.3 Term

(1) For Index Futures Contracts, terms expiring on the final settlement day (subsection 1.3.4 paragraph (2) of the next, the second succeeding and the third succeeding quarter-end months (March, June, September, December) are available for trading at the Eurex Exchanges.

(2) For Index Futures Contracts and in deviation to Paragraph 1, terms up to the final settlement day (Number 1.3.4 Paragraph 2) of the next, the second succeeding and the third succeeding calendar month, as well as the following quarter months (March, June, September, December) are available.

(3) For Index Futures Contracts on the ~~MSCI Indices,~~ CECE® EUR Index and RDX® EUR Index and in deviation to Paragraph 1, terms up to the final settlement day (Number 1.3.4 Paragraph 2) of the next, the second succeeding, the third succeeding and the fourth succeeding quarter month (March, June, September, December) and up to the next four succeeding half-year expiration days thereafter (June, December) are available.

(4) For Index Futures Contracts on the RDX® USD Index and in deviation to Paragraph 1, terms up to the final settlement day (Number 1.3.4 Paragraph 2) of the next, the second succeeding, the third succeeding and the fourth succeeding quarter month (March, June, September, December), the next four succeeding

half-year expiration days thereafter (June, December) as well as the next two succeeding yearly expiration days thereafter (December) are available.

(5) For Index Futures Contracts on the TA-25 Index and in deviation to Paragraph 1, terms up to the final settlement day (Number 1.3.4 Paragraph 2) of the next, the second succeeding and the third calendar month are available.

(6) For Index Futures Contracts on MSCI Indices and in deviation to Paragraph 1, terms up to the final settlement day (Number 1.3.4 Paragraph 2) of the next twelve quarter months (March, June, September, December) are available.

1.3.4 Last Trading Day, Final Settlement Day, Close of Trading

(1) The last trading day of the Index Futures Contracts shall generally be the third Friday of the relevant month provided that such day is a trading day at Eurex ~~and (with regard to national indices) on the relevant home Exchange~~; otherwise, it shall be the trading day immediately preceding such day. ~~The last trading day of Index Futures on the MSCI Egypt Index, the MSCI United Arab Emirates Index and the MSCI Qatar Index shall therefore usually be the Thursday immediately preceding such third Friday.~~

Expiries of Index Futures Contracts on MSCI Indices, whose last trading day deviates from the third Friday and that still hold open positions on the effective date of 16 January 2017, maintain the last trading day initially defined when the contract was set up, for as long as these open positions persist and in consideration of national holidays (especially MSCI Egypt, Qatar and United Arab Emirates).

The last trading day of Index Futures Contracts on the Sensex Index shall be the day determined in Paragraph 2.

[…]

2. Part: Contract Specifications for Options Contracts

[…]

2.4 Subpart: Contract Specifications for Index Options

The following subpart contains contract specifications for Options Contracts on stock indices (“Index Options”).

[…]

2.4.5 Last Trading Day, Final Settlement Day, Close of Trading

(1) The last trading day of the Index Options contracts shall generally be the third Friday of the relevant month provided that such day is a trading day at Eurex~~ and (with regard to national indices) on the relevant home Exchange~~; otherwise, it shall be the trading day immediately preceding such day.

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Market-Making Scheme for Futures and Options on MSCI Indices

1. Overview

With effect from 1 January 2017, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to extend and adjust the existing Market-Making scheme for MSCI index futures and options and adjust the additional Designated Market-Making scheme ("MSCI Package") including revenue sharing for MSCI index futures:

1. The existing schemes will be extended in an adjusted version until and including 31 December 2017.
2. Instead of the previous "MSCI Package", two different packages ("Developed Markets Package" and "Emerging Markets Package") will be offered.

2. Market-Making

Eurex Deutschland and Eurex Zürich AG (collectively the Eurex Exchanges) offer interested Trading Participants the opportunity to participate in Market-Making for the MSCI index futures and options pursuant to this Market-Making Scheme.

As Designated Market Makers in index futures or Permanent Market Makers in index options contracts, Trading Participants agree to supply bid and ask prices (quotes) for a determined minimum number of contracts while observing defined maximum spreads within a determined period of time.

In return, the Eurex Exchanges shall grant its Designated Market Makers in MSCI index futures a **50 percent refund of fees for all transactions executed on M-accounts in the respective MSCI index futures** until 31 December 2017. Fulfilment can be accomplished via the DMM1 or DMM2 scheme, either during the European or the US trading hours. Multiple refunds will not be granted if the requirements are fulfilled in the two schemes or both time intervals.

Permanent Market Makers in MSCI index options shall be granted a **75 percent refund of transaction fees for all contracts concluded on M-accounts in the respective MSCI index options** until and including 31 December 2017.

The refund will be paid monthly if the Market Maker Obligations have been fulfilled.

Please refer to attachment 3 for the application for Designated Market Making in MSCI index futures (i.e. Designated Market Maker Agreement for Futures on MSCI Indices). Applying for Permanent Market-Making in MSCI index options is not required. All interested Designated Market Makers, including those who are already active as Market Makers in this product, are requested to return the aforementioned agreement duly signed.

The DMM schemes DMM1 and DMM2 differ in requirements as follows:

a) Quote obligations: Designated Market-Making in MSCI index futures

Package	Equity index future on	Eurex product code	Minimum quote size (DMM1)	Maximum spread (DMM1)	Minimum quote size (DMM2)	Maximum spread (DMM2)
			Contracts on bid and ask side	In basis points	Contracts on bid and ask side	In basis points
DM	MSCI Australia (USD / NTR)	FMAU	10	40	30	100
DM	MSCI Canada (USD / NTR)	FMCA	5	40	15	100
DM	MSCI Canada (USD / GTR)	FMGC	5	40	15	100
DM	MSCI France (EUR / NTR)	FMFR	10	40	30	100
DM	MSCI France (EUR / GTR)	FMGF	10	40	30	100
DM	MSCI Hong Kong (USD / NTR)	FMHK	5	40	15	80
DM	MSCI Japan (USD / GTR)	FMJG	10	20	30	60
DM	MSCI Japan (USD / NTR)	FMJP	10	20	30	60
DM	MSCI New Zealand (USD / NTR)	FMNZ	5	40	15	100
DM	MSCI UK (USD / NTR)	FMDK	5	40	15	100
DM	MSCI UK (GBP / NTR)	FMUK	5	40 (before: 25)	15	100 (before: 60)
DM	MSCI USA (USD / GTR)	FMGS	5	25	15	60
DM	MSCI USA (USD / NTR)	FMUS	10	25	30	60
DM	MSCI USA Equal Weighted (High Exposure) (USD / NTR)	FMUE	10	25	30	60
DM	MSCI USA Momentum (High Exposure) (USD / NTR)	FMUM	10	25	30	60
DM	MSCI USA Quality (High Exposure) (USD / NTR)	FMUQ	10	25	30	60
DM	MSCI USA Value Weighted (Capacity) (USD / NTR)	FMUV	10	25	30	60
DM	MSCI EMU (EUR / GTR)	FMGM	25	20	75	45
DM	MSCI EMU (EUR / NTR)	FMMU	25	20	75	45
DM	MSCI Europe (USD / NTR)	FMED	10	20	30	45
DM	MSCI Europe (EUR / Price)	FMEP	50	20	150	45
DM	MSCI Europe (EUR / NTR)	FMEU	50	20	150	45
DM	MSCI Europe (EUR / GTR)	FMGE	25	20	75	45
DM	MSCI Europe (USD / GTR)	FMGU	5	20	15	45
DM	MSCI Europe ex Switzerland (EUR / NTR)	FMXS	25	20	75	45
DM	MSCI Europe Growth (EUR / NTR)	FMEG	25	25	75	50
DM	MSCI Europe Value (EUR / NTR)	FMEV	25	25	75	50

Package	Equity index future on	Eurex product code	Minimum quote size (DMM1)	Maximum spread (DMM1)	Minimum quote size (DMM2)	Maximum spread (DMM2)
			Contracts on bid and ask side	In basis points	Contracts on bid and ask side	In basis points
DM	MSCI Kokusai (USD / GTR)	FMKG	10	25	30	75
DM	MSCI Kokusai (USD / NTR)	FMKN	10	25	30	75
DM	MSCI North America (USD / GTR)	FMGA	5	25	15	60
DM	MSCI North America (USD / NTR)	FMNA	5	25	15	60
DM	MSCI Pacific (USD / NTR)	FMPA	10	35	30	75
DM	MSCI Pacific (USD / GTR)	FMPG	10	35	30	75
DM	MSCI Pacific ex Japan (USD / NTR)	FMPX	10	35	30	75
DM	MSCI World (EUR / GTR)	FMWE	25	20	75	60
DM	MSCI World (USD / GTR)	FMWG	5	20	15	60
DM	MSCI World (EUR / NTR)	FMWN	25	20	75	60
DM	MSCI World (USD / NTR)	FMWO	25	20	75	60
DM	MSCI World (USD / Price)	FMWP	25	20	75	60
DM	MSCI World Midcap (USD / NTR)	FMWM	5	50	15	100
EM	MSCI AC Asia P ex Jp (USD / NTR)	FMAS	10	35	30	75
EM	MSCI AC Asia Pacific (USD / NTR)	FMAP	25	35	75	75
EM	MSCI ACWI (USD / NTR)	FMAC	25	35	75	75
EM	MSCI ACWI (EUR / NTR)	FMAE	25	35	75	75
EM	MSCI ACWI ex USA (USD / NTR)	FMXU	25	35	75	75
EM	MSCI Chile (USD / NTR)	FMCL	5	100	15	225
EM	MSCI China Free (USD / NTR)	FMCN	5	50	15	100
EM	MSCI Colombia (USD / NTR)	FMCO	5	100	15	225
EM	MSCI Czech Rep (USD / NTR)	FMCZ	5	100	15	225
EM	MSCI Egypt (USD / NTR)	FMEY	5	100	15	225
EM	MSCI Hungary (USD / NTR)	FMHU	5	100	15	225
EM	MSCI India (USD / NTR)	FMIN	5	40	15	100
EM	MSCI Indonesia (USD / NTR)	FMID	10	100	30	225
EM	MSCI Malaysia (USD / NTR)	FMMY	5	40	15	100
EM	MSCI Mexico (USD / NTR)	FMMX	5	75	15	150
EM	MSCI Peru (USD / NTR)	FMPE	10	100	30	225

Package	Equity index future on	Eurex product code	Minimum quote size (DMM1)	Maximum spread (DMM1)	Minimum quote size (DMM2)	Maximum spread (DMM2)
			Contracts on bid and ask side	In basis points	Contracts on bid and ask side	In basis points
EM	MSCI Philippines (USD / NTR)	FMPH	5	100	15	225
EM	MSCI Poland (USD / NTR)	FMPL	5	75 (previous: 40)	15	150 (previous: 100)
EM	MSCI Qatar (USD / NTR)	FMQA	10	100	30	225
EM	MSCI Russia (USD / NTR)	FMRS	10	75	30	150
EM	MSCI Russia (USD / Price)	FMRU	25	75	75	150
EM	MSCI South Africa (USD / NTR)	FMZA	5	40	15	100
EM	MSCI Thailand (USD / NTR)	FMTH	10	75	30	150
EM	MSCI UAE (USD / NTR)	FMUA	5	100	15	225
EM	MSCI EM (USD / Price)	FMEF	5	30	15	60
EM	MSCI EM (USD / NTR)	FMEM	10	30	30	60
EM	MSCI EM (EUR / NTR)	FMEN	10	30	30	60
EM	MSCI EM Asia (USD / NTR)	FMEA	10	35	30	75
EM	MSCI EM EMEA (USD / NTR)	FMEE	10	40	30	100
EM	MSCI EM LatAm (USD / NTR)	FMEL	5	50	15	100
EM	MSCI Morocco (USD / NTR)	FMMA	5	100	15	225
EM	MSCI Frontier (USD / NTR)	FMFM	25	150	75	300

Parameter changes compared to the current scheme are marked in green.

As before, continuous quotation must cover 70 percent of the trading hours between 09:00 CET and 17:30 CET or 70 percent of the trading hours between 15:30 CET and 22:00 CET. The front month must be quoted at all times; however, five exchange trading days prior to maturity, either the front month or the second maturity month, may be quoted.

During the fast-market phase the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

b) Quote obligations: Permanent Market-Making in MSCI index options

Permanent Market-Making at the Eurex Exchanges consists of continuous quotation of a series of strike prices for a predefined number of expiration months (expiration range). Continuous quotation must cover 85 percent of the trading hours between 09:00 CET and 17:30 CET per calendar month on each exchange trading day (on a monthly average). Permanent Market Makers in MSCI index options are obliged to quote calls and puts in five strike prices (i.e. a total of ten series) out of a window of seven strike prices nearest to the current index price within the expiration range. Quote obligations for MSCI index options include the first six expiration months (lifetime up to one year). Currently, no quote requests have to be answered.

Equity index options on	Eurex product code	Minimum quote size	Maximum spread	
		Contracts on bid and ask side	Bid price up to	Spread
MSCI Europe (EUR, NTR)	OMEU	50	0 – 5.3	0.8 index points
			5.4 – 53.3	15.0 percent
			> 53.3	8.0 index points
MSCI Europe (EUR, Price)	OMEP	150	0 – 5.3	0.8 index points
			5.4 – 53.3	15.0 percent
			> 53.3	8.0 index points
MSCI Europe Growth (EUR, NTR)	OMEG	25	0 – 5.3	0.8 index points
			5.4 – 53.3	15.0 percent
			> 53.3	8.0 index points
MSCI Europe Value (EUR, NTR)	OMEV	25	0 – 5.3	0.8 index points
			5.4 – 53.3	15.0 percent
			> 53.3	8.0 index points
MSCI World (USD, NTR)	OMWO	25	0 – 133.3	20.0 index points
			133.3 – 1666.6	15.0 percent
			> 1666.6	250.0 index points
MSCI World (USD, Price)	OMWP	150	0 – 133.3	20.0 index points
			133.3 – 1666.6	15.0 percent
			> 1666.6	250.0 index points
MSCI World (EUR, NTR)	OMWN	25	0 – 5.3	0.8 index points
			5.4 – 53.3	15.0 percent
			> 53.3	8.0 index points
MSCI AC Asia P ex Jp (USD, NTR)	OMAS	10	0 – 13.3	2.0 index points
			13.4 – 133.3	15.0 percent
			> 133.3	20.0 index points
MSCI EM (USD, NTR)	OMEM	10	0 – 15.0	3.0 index points
			15.0 – 187.5	20.0 percent
			> 187.5	37.5 index points
MSCI EM (USD, Price)	OMEF	25	0 – 40	8.0 index points
			40 – 400	20.0 percent
			> 400	80.0 index points
MSCI EM (EUR, NTR)	OMEN	10	0 – 15.0	3.0 index points
			15.0 – 187.5	20.0 percent
			> 187.5	37.5 index points

Equity index options on	Eurex product code	Minimum quote size	Maximum spread	
		Contracts on bid and ask side	Bid price up to	Spread
MSCI EM Asia (USD, NTR)	OMEA	10	0 – 15.0	3.0 index points
			15.0 – 187.5	20.0 percent
			> 187.5	37.5 index points
MSCI EM EMEA (USD, NTR)	OMEE	10	0 – 15.0	3.0 index points
			15.0 – 187.5	20.0 percent
			> 187.5	3..5 index points
MSCI EM LatAm (USD, NTR)	OMEL	5	0 – 40	8.0 index points
			40 – 400	20.0 percent
			> 400	80.0 index points
MSCI Russia (USD, Price)	OMRU	25	0 – 40	8.0 index points
			40 – 400	20.0 percent
			> 400	80.0 index points

During the fast-market phase the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

3. Revenue sharing scheme for Designated Market Makers and Permanent Market Makers

Designated Market Makers and Permanent Market Makers can qualify for the revenue sharing scheme in aforementioned products. The scheme will run from 1 January 2017 until 31 December 2017.

Distribution takes place on a monthly basis to the Market Makers who qualified. Please refer to the next sections for the detailed revenue allocation:

a) Designated Market-Making per product

The **revenue sharing amount is 20** (before: 30) **percent of the net revenues** (aggregated transaction fees in the respective product paid by all Trading Participants minus rebates) in MSCI index futures. For calculation, each product is considered separately.

The maximum number of Market Makers who can qualify for the revenue sharing scheme is limited to eight per product and month. If not more than eight Market Makers fulfil the Market-Making obligations in a month and product, those will share the 20 percent. If more than eight Market Makers fulfil in a given month, only those eight Market Makers with the highest order book volumes will receive a share of revenue.

- 5 percent are distributed evenly among all qualifying Market Makers.
- 15 percent are distributed according to the individual Market Maker's share of the overall trading volume of all qualifying Market Makers. Eligible transactions for determination of the trading volume are contracts traded in the order book on the M-account only.

b) Permanent Market-Making per product

As before, the revenue sharing amount is **30 percent of the net revenues** (aggregated transaction fees in the respective product paid by all Trading Participants minus rebates) in MSCI index options. For calculation, each product is considered separately.

The maximum number of Market Makers who can qualify for the revenue sharing scheme is limited to five per product and month. If not more than five Market Makers fulfil in a given month and product, the 30 percent will be distributed to these Market Makers. If more than five Market Makers fulfil in a given month, only those five Market Makers with the highest overall volumes (order book and off-book transactions) will receive a share of revenue.

- 10 percent are distributed evenly among the qualifying Market Makers.
- 20 percent are distributed according to the individual qualifying Market Maker's share of the overall trading volume of all qualifying Market Makers. Eligible transactions for determination of the trading volume are all contracts traded in the order book and all off-book trades.

c) Designated Market-Making Packages

Besides revenue sharing on product level, there will be two additional DMM schemes ("MSCI Packages"), in which all MSCI index futures are summarized:

- The **Developed Markets Package** currently includes 40 futures, 15 of which must be fulfilled during European or US trading hours according to the DMM1 criteria, in order to qualify for the additional incentives.
- The **Emerging Markets Package** currently includes 32 futures, 15 of which must be fulfilled during European or US trading hours according to the DMM1 criteria, in order to qualify for the additional incentives.

In the first column of the table under 2.a) is indicated to which of both packages each the futures belong to. For Participants there are no more mandatory products, i.e. they are free to choose the futures they wish to quote in.

Furthermore, the following applies:

- A maximum number of five Market Makers who fulfil the quoting requirements of the MSCI DMM Packages will receive up to **15 percent of the net revenues** (aggregated transaction fees paid by all Trading Participants minus rebates) in the **Developed Markets Package**. For calculation, all net revenues in all products contained in the package are considered. Distribution is done evenly among all Market Makers who fulfil the package requirements. This revenue sharing is limited to five percent if only one Market Maker fulfils the package requirements and limited to ten percent if exactly two Market Makers fulfil the package requirements. If more than five Market Makers fulfil the package requirements, only those five Market Makers with the highest overall order book volumes (on M-accounts only) will receive a share of revenue.
- A maximum number of five Market Makers who fulfil the quoting requirements of the MSCI DMM Packages will receive up to **30 percent of the net revenues** (transaction fees minus rebates) in the **Emerging Markets Package**. For calculation, all net revenues in all products contained in the package are considered. Distribution is done evenly among all Market Makers who fulfil the package requirements. This revenue sharing is limited to ten percent if only one Market Maker fulfils the package requirements and limited to 20 percent if exactly two Market Makers fulfil the package requirements. If more than five Market Makers fulfil the package requirements, only those five Market Makers with the highest overall order book volumes (on M-accounts only) will receive a share of revenue.
- Both schemes will run from 1 January 2017 until 31 December 2017. During this time, the package constituents and the number of exceptions may be adjusted on a monthly basis.

- Upon fulfilment of the requirements, refunds will take place on a monthly basis with a lag of one month.
- Interested Market Participants for Market-Making in MSCI futures should use the application form in the attachment. All interested Designated Market Makers, also those who are already active as Market Makers in this product, are requested to return this form duly signed.

Please return by e-mail or fax to:

ralf.huesmann@eurexchange.com
Fax no. +49-69-211- 61 54 43

Designated Market Maker Agreement for Futures on MSCI Indices

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") for the period from **1 January until 31 December 2017** under the conditions outlined below with respect to the following products (please either tick for full packages or for individual Futures):

Package	**Please tick (√) the appropriate box**
Developed Markets package (i.e. all Futures shown in the next table as "**DM**")	☐
Emerging Markets package (i.e. all Futures shown in the next table as "**EM**")	☐

Package	**Futures on**	**Currency**	**Index type**	**Eurex code**	**Please tick (√) the appropriate box**
DM	MSCI Australia	USD	NTR	FMAU	☐
DM	MSCI Canada	USD	NTR	FMCA	☐
DM	MSCI Canada	USD	GTR	FMGC	☐
DM	MSCI France	EUR	NTR	FMFR	☐
DM	MSCI France	EUR	GTR	FMGF	☐
DM	MSCI Hong Kong	USD	NTR	FMHK	☐
DM	MSCI Japan	USD	GTR	FMJG	☐
DM	MSCI Japan	USD	NTR	FMJP	☐
DM	MSCI New Zealand	USD	NTR	FMNZ	☐
DM	MSCI UK	USD	NTR	FMDK	☐
DM	MSCI UK	GBP	NTR	FMUK	☐
DM	MSCI USA	USD	GTR	FMGS	☐
DM	MSCI USA	USD	NTR	FMUS	☐

Package	Futures on	Currency	Index type	Eurex code	Please tick (√) the appropriate box
DM	MSCI USA Equal Weighted (High Exposure)	USD	NTR	FMUE	☐
DM	MSCI USA Momentum (High Exposure)	USD	NTR	FMUM	☐
DM	MSCI USA Quality (High Exposure)	USD	NTR	FMUQ	☐
DM	MSCI USA Value Weighted (Capacity)	USD	NTR	FMUV	☐
DM	MSCI EMU	EUR	GTR	FMGM	☐
DM	MSCI EMU	EUR	NTR	FMMU	☐
DM	MSCI Europe	USD	NTR	FMED	☐
DM	MSCI Europe	EUR	Price	FMEP	☐
DM	MSCI Europe	EUR	NTR	FMEU	☐
DM	MSCI Europe	EUR	GTR	FMGE	☐
DM	MSCI Europe	USD	GTR	FMGU	☐
DM	MSCI Europe ex Switzerland	EUR	NTR	FMXS	☐
DM	MSCI Europe Growth	EUR	NTR	FMEG	☐
DM	MSCI Europe Value	EUR	NTR	FMEV	☐
DM	MSCI Kokusai	USD	GTR	FMKG	☐
DM	MSCI Kokusai	USD	NTR	FMKN	☐
DM	MSCI North America	USD	GTR	FMGA	☐
DM	MSCI North America	USD	NTR	FMNA	☐
DM	MSCI Pacific	USD	NTR	FMPA	☐
DM	MSCI Pacific	USD	GTR	FMPG	☐
DM	MSCI Pacific ex Japan	USD	NTR	FMPX	☐
DM	MSCI World	EUR	GTR	FMWE	☐
DM	MSCI World	USD	GTR	FMWG	☐
DM	MSCI World	EUR	NTR	FMWN	☐
DM	MSCI World	USD	NTR	FMWO	☐
DM	MSCI World	USD	Price	FMWP	☐
DM	MSCI World Midcap	USD	NTR	FMWM	☐
EM	MSCI AC Asia P ex Jp	USD	NTR	FMAS	☐
EM	MSCI AC Asia Pacific	USD	NTR	FMAP	☐
EM	MSCI ACWI	USD	NTR	FMAC	☐
EM	MSCI ACWI	EUR	NTR	FMAE	☐
EM	MSCI ACWI ex USA	USD	NTR	FMXU	☐
EM	MSCI Chile	USD	NTR	FMCL	☐
EM	MSCI China Free	USD	NTR	FMCN	☐

Package	Futures on	Currency	Index type	Eurex code	Please tick (√) the appropriate box
EM	MSCI Colombia	USD	NTR	FMCO	☐
EM	MSCI Czech Rep	USD	NTR	FMCZ	☐
EM	MSCI Egypt	USD	NTR	FMEY	☐
EM	MSCI Hungary	USD	NTR	FMHU	☐
EM	MSCI India	USD	NTR	FMIN	☐
EM	MSCI Indonesia	USD	NTR	FMID	☐
EM	MSCI Malaysia	USD	NTR	FMMY	☐
EM	MSCI Mexico	USD	NTR	FMMX	☐
EM	MSCI Peru	USD	NTR	FMPE	☐
EM	MSCI Philippines	USD	NTR	FMPH	☐
EM	MSCI Poland	USD	NTR	FMPL	☐
EM	MSCI Qatar	USD	NTR	FMQA	☐
EM	MSCI Russia	USD	NTR	FMRS	☐
EM	MSCI Russia	USD	Price	FMRU	☐
EM	MSCI South Africa	USD	NTR	FMZA	☐
EM	MSCI Thailand	USD	NTR	FMTH	☐
EM	MSCI UAE	USD	NTR	FMUA	☐
EM	MSCI EM	USD	Price	FMEF	☐
EM	MSCI EM	USD	NTR	FMEM	☐
EM	MSCI EM	EUR	NTR	FMEN	☐
EM	MSCI EM Asia	USD	NTR	FMEA	☐
EM	MSCI EM EMEA	USD	NTR	FMEE	☐
EM	MSCI EM LatAm	USD	NTR	FMEL	☐
EM	MSCI Morocco	USD	NTR	FMMA	☐
EM	MSCI Frontier	USD	NTR	FMFM	☐

2. The Participant shall

a) Fulfil the Market-Making Scheme for Futures & Options on MSCI Indicesas 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.

b) 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.

3. ECAG shall

   a) Refund 50 percent of all transaction fees on M-accounts until 31 December 2017. The refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made for contracts traded on A- or P-accounts or if the Eurex Market-Making Obligations are not fulfilled.

   b) Offer a revenue sharing per individual MSCI Future as detailed in the Eurex Market-Making Obligations (**DMM1**).

   c) Offer an additional revenue sharing for the Developed and Emerging Market packages of MSCI Futures (**MSCI packages**) as detailed in the Eurex Market-Making Obligations.

4. EFAG and ECAG 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 requirements stipulated in the Eurex Market-Making Obligations.

   b) The Participant does not comply with any other of its obligations stated under Number 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 Obligations.

6. The Participant and EFAG and ECAG shall severally be entitled to terminate this Agreement without giving any reason with one (1) calendar month’s prior notice.

7. The Participant shall be notified of any changes to this Agreement and the Eurex Market-Making Obligations at least three (3) business days prior to the effective date thereof. The Participant accepts the amendments, provided a written objection is not filed with ECAG and EFAG within three (3) business days after the publication. ECAG and EFAG reserve the right to terminate the contract in case of non-acceptance of the amendments.

8. EFAG and ECAG offer this contractual agreement to interested Trading Participants. Through signature by the Trading Participant, this Agreement automatically becomes a binding contract, even without counter-signature by representatives of EFAG and ECAG.

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.

Volume Provider Incentive Scheme for Futures on MSCI Indices

ECAG shall offer a revenue sharing based on the overall volumes traded via the A-account in all MSCI Futures listed at the Eurex Exchanges. In order to receive any revenue sharing, the Volume Provider Agreement for Futures on MSCI Indices needs to be signed by the interested Trading Participant and send to Eurex Frankfurt AG not later than the end of the calendar quarter, for which the revenue sharing will be paid.

The volume-based revenue sharing scheme will be offered as of 1 December 2016 until the end of 2017.

General requirements on revenue sharing

After each quarter, the number of MSCI futures traded on the A-account by the registered Participants will be summarized for all listed products. Registered Participants with a number of traded contracts on the A-account above the threshold values stated below may qualify for an additional revenue sharing as indicated. In this connection, all net revenues (aggregated transaction fees paid by all Trading Participants minus rebates) of all MSCI futures will be considered. If several Participants are qualified in a certain category, the revenue sharing in that category will be evenly distributed, whereby a maximum of three Participants per quarter may qualify for this revenue sharing. If more than three Participants qualify for this scheme, only the three with the highest overall volume in MSCI futures on the A-account in this quarter will be considered. Participants who qualify for a higher category will also qualify for the revenue sharing in the lower categories.

The month of December 2016 will be treated like a separate quarter in this regard, i.e. the same threshold values will be applied to qualify for a revenue sharing based on the net revenues for this month.

Thresholds for revenue sharing

Category	Threshold value	Revenue sharing
1	> 400,000	2%
2	> 800,000	3%
3	> 1,200,000	4%
4	> 1,600,000	1%

Example

Two Trading Participants reach certain threshold values of MSCI Futures on the A-account within a given quarter. If the first Participant has traded 1,800,000 contracts (category 4) and the second Participant reached 900,000 contracts (category 2), the revenue sharing will be:

- For the first participant: 50% of categories 1 and 2 and 100% of categories 3 and 4 (in total: 7.5%)
- For the second participant: 50% of categories 1 and 2 (in total: 2.5%).

Please return by e-mail or fax to:

ralf.huesmann@eurexchange.com
Fax no. +49-69-211- 61 54 43

Volume Provider Agreement for Futures on MSCI Indices

dated as of: _____

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

   _____ ("Participant")

   (Name of Participant/Member ID)

   hereby enter into this Volume Provider Agreement (the "Agreement") under the conditions outlined below for the period from **1 December 2016 until 31 December 2017.**

2. The Participant shall 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.

3. ECAG shall offer a revenue sharing where the requirements of the volume provider incentive scheme for Futures on MSCI Indices (Volume Provider Incentive Scheme) attached to this Agreement have been fulfilled (i.e. the Participant has traded contracts on the A-Account above the relevant thresholds) at the end of the calendar quarter, for which the revenue sharing shall be paid.

   Where the above-mentioned requirements are met, the Participant shall be entitled to a share of the revenue sharing pool as defined in the Eurex Volume Provider Incentive Scheme for Futures on MSCI Indices.

   For the avoidance of doubt, a participation in the revenue sharing requires an entering into force of this Agreement in the respective calendar quarter, for which the revenue sharing shall be paid.

4. The Participant and EFAG and ECAG shall severally be entitled to terminate this Agreement without giving any reason with one (1) calendar month's prior notice.

5. The Participant shall be notified of any changes to this Agreement at least three (3) business days prior to the effective date thereof. The Participant accepts the amendments, provided a written objection is not filed with ECAG and EFAG within three (3) business days after the publication. ECAG and EFAG reserve the right to terminate the contract in case of non-acceptance of the amendments.

6. EFAG and ECAG offer this contractual agreement to interested Trading Participants. Through signature by the Trading Participant, this Agreement automatically becomes a binding contract, even without counter-signature by representatives of EFAG and ECAG.

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 e-mail address or fax number indicated above.