X-pand into the Future

eurex circular 094/17

Date: 11 September 2017
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

EURO STOXX 50® Corporate Bond Index futures: Introduction of a Designated Market-Making scheme

Related Eurex circular: 071/17

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Content may be most important for:

➲ All departments

Attachments:

1. Designated Market Maker Scheme for Futures on EURO STOXX® 50 Corporate Bond Index
2. Designated Market Maker Agreement for Futures on EURO STOXX® 50 Corporate Bond Index
3. Eurex Clearing circular 085/17

Summary:

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG (collectively: the Eurex Exchanges) took the following decision effective **19 September 2017**:

- Introduction of a Designated Market-Making scheme for futures on the EURO STOXX 50® Corporate Bond Index (Eurex product code: FCBI), **valid from 19 September 2017 until 31 December 2017.**

This scheme aims at supporting liquidity in futures on the EURO STOXX 50® Corporate Bond Index from the start of trading on 19 September 2017.

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EURO STOXX 50® Corporate Bond Index futures: Introduction of a Designated Market-Making scheme

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG (collectively: the Eurex Exchanges) took the decision to introduce a Designated Market-Making scheme for futures on the EURO STOXX 50® Corporate Bond Index (Eurex product code: FCBI). The Designated Market-Making scheme will run from 19 September 2017 until 31 December 2017.

Provided the quotation requirements have been fulfilled, Designated Market Makers (DMMs) receive a refund of transaction fees for contracts in futures on the EURO STOXX 50® Corporate Bond Index concluded on the M-account. In addition, DMMs have the opportunity to participate in a revenue sharing scheme for contracts in futures on the EURO STOXX 50® Corporate Bond Index. Attachment 1 contains details of the Designated Market-Making scheme.

The scheme aims at supporting liquidity from the start of trading in futures on the EURO STOXX 50® Corporate Bond Index on 19 September 2017. With this product, the Eurex Exchanges offer the market a standardised, centrally settled and cash-cleared exchange derivative for trading and clearing in addition to the existing OTC products in the European Corporate Bond market. Please refer to Eurex circular 071/17 for detailed information about this futures product.

Participants who wish to register as Designated Market Makers should use the form in attachment 2.

The Eurex Exchanges will accept registrations for this Designated Market-Making scheme until and including 31 December 2017. The date on which the Eurex Exchanges receive a valid and duly signed Agreement will be deemed to be the registration date. Performance measurement will start on the registration date.

If you have questions or require further information, please contact Jutta Frey-Hartenberger on tel. +49-69-211-1 49 88, e-mail: jutta.frey-hartenberger@eurexchange.com, or Maesa Beany, Product R&D Fixed Income, on tel. +44-207 8 62-72 35, e-mail: maesa.beany@eurexchange.com.

11 September 2017

Designated Market Maker Scheme for Futures on EURO STOXX 50® Corporate Bond Index (Eurex Market-Making Obligations)

1. Market-Making

As Designated Market Makers (DMMs), Trading Participants of Eurex Deutschland and Eurex Zürich AG (collectively: the Eurex Exchanges) undertake to supply bid and ask prices (quotes) for a determined minimum number of contracts during a fixed period of time in compliance with maximum spreads.

If the requirements stipulated in Number 2 below are fulfilled, the DMM will in return receive a rebate of 100 percent on order book and off-book transaction fees for transactions in Futures on EURO STOXX 50® Corporate Bond Index on the M-account until 31 December 2017. Furthermore, a revenue sharing scheme is offered pursuant to the requirements stipulated in Number 3 below.

2. Designated Market-Making requirements

The DMM quotation requirements in the order book are as follows:

Two-way quote provision:	Provision of two-way quotes • with a minimum size of **50 contracts** on the bid and ask side • with a maximum spread of **15 ticks**
Quotation period:	**80 percent** of the quotation period of the trading day, from 0**9:00 CET** to **17:15 CET**, on a monthly average.
Maturity Range	Current front month contract only until five (5) trading days preceding the last trading day of the front month contract; afterwards, Market Makers have the choice of quoting the front month or the back month
Designated Market Maker rebates:	**From 19 September 2017 up to 31 December 2017,** refund of 100 percent of the transaction fees for contracts traded on M-Accounts (order book on the Eurex Exchanges and off-book-transactions entered via block and multilateral Eurex T7 Entry Services) upon fulfilment of all obligations.

3. Revenue sharing

In addition, DMMs may participate in a revenue sharing scheme running until 31 December 2017 for futures on EURO STOXX 50® Corporate Bond Index.

Eurex Clearing AG shall allocate on a quarterly basis forty (40) percent of net revenues (transactions fees paid by all Trading Participants trading FCBI and collected by Eurex Clearing AG minus any rebates granted) from Futures on EURO STOXX 50® Corporate Bond Index electronic order book and off-book transactions to the Designated Market Maker revenue sharing pool.

The conditions of the revenue sharing scheme are as follows:

- Fulfilment of the Designated Market-Making requirements as stipulated in Number 2 above.
- The Market Maker must be among the top three-ranked DMMs by traded contracts.
- Distribution takes place on a quarterly basis (September counts as full quarter).
- The overall amount available for revenue sharing will be split between the eligible DMMs based on their market share as follows:

Eligible DMM	1st ranked	2nd ranked	3rd ranked
1	40%	0%	0%
2	25%	15%	0%
3	20%	12%	8%

- The market share is defined as the share in percent of the DMMs' volume according to their proprietary trading share (on- and off-book volume traded on the P- and M-accounts) in the respective quarter, provided that the obligations are fulfilled on a quarterly basis. If more than three (3) Market Makers fulfil in a given quarter, only those three DMMs with the highest volumes according to their proprietary trading share will receive a share of revenue.

Please return by e-mail/fax to:

Jutta Frey-Hartenberger
jutta.frey-hartenberger@eurexchange.com
Fax no. +49-69-211-61 49 88

Designated Market Maker Agreement for Futures on EURO STOXX® 50 Corporate Bond Index

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") under the conditions outlined below with respect to the following product:

Eurex product	Eurex product code	Please tick (✓) the box
Futures on EURO STOXX® 50 Corporate Bond Index	FCBI	☐

for the period from **19 September 2017 until 31 December 2017.**

2. The Participant shall

a) Fulfil the Market-Making Scheme for Futures on EURO STOXX® 50 Corporate Bond Index as set out in Attachment 1 to Eurex circular 094/2017 by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG ("Eurex Market-Making Obligations").

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.

c) Inform EFAG in the event the Participant is or will be unable to fulfil the Eurex Market-Making Obligations without undue delay and at the latest within one business day.

3. ECAG shall

   a) Refund 100 percent of all transaction fees for the contracts traded in the electronic order book and off-book via block and multilateral T7 Entry Services by Participant on M-accounts in Futures on EURO STOXX® 50 Corporate Bond Index from **19 September 2017** until **31 December 2017**.

   Refunds shall be paid in full only if the Eurex Market-Making Obligations have been fulfilled in the month prior to the month in which they are payable. 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 of 40 percent of net trading revenues in Futures on EURO STOXX® 50 Corporate Bond Index (transactions fees paid by all Trading Participants trading FCBI and collected by Eurex Clearing AG minus any rebates granted) from **19 September 2017** until **31 December 2017**, provided that the Eurex Market-Making Obligations were fulfilled on a quarterly basis (September counts as a full quarter). 40 percent of net trading revenues in Futures on the EURO STOXX® 50 Corporate Bond Index are distributed on a quarterly basis to the three leading Market Makers according to their proprietary trading share (on- and off-book volumes traded on P- and M-accounts) in the respective quarter within the group of Market Makers, provided that the obligations as stated in the Eurex Market-Making Obligations are fulfilled.

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 Obligations for three 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 No. 2 above.

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

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

   b) A significant change to the Eurex Market-Making Obligations.

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.

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. With the signature of the Trading Participant, this Agreement automatically becomes a binding contract, even without counter-signature of 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 stated on page 1.

clear to trade

eurex clearing *circular 085/17*

Date: 11 September 2017
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

EURO STOXX 50® Corporate Bond Index Futures: Introduction of a Designated Market-Making scheme
Volatility index derivatives: Change to the Market-Making scheme in options on VSTOXX® futures

Related Eurex circulars: 094/17, 095/17

Contact: Clearing Operations, T +49-69-211-1 12 50, clearing@eurexclearing.com,
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Content may be most important for:	**Attachments:**
➲ All departments	none

Effective **19 September 2017**, the following measures of Eurex Clearing will come into effect:

- Introduction of a Designated Market-Making scheme and of a revenue sharing scheme for futures on the EURO STOXX 50® Corporate Bond Index, valid from 19 September 2017 until 31 December 2017.

The relevant conditions and details as well as the exact parameters of the Designated Market-Making scheme and of the revenue sharing scheme are contained in Eurex circular 094/17.

In order to sign up as Designated Market Marker, please send the filled-out and signed form (attachment 2 to Eurex circular 094/17) to Jutta Frey-Hartenberger at fax +49-69-211-1 44 61 or via e-mail to jutta.frey-hartenberger@eurexchange.com.

Effective **1 October 2017**, the following measures of Eurex Clearing will come into effect:

- Change to the Market-Making scheme and to the revenue sharing scheme for options on VSTOXX® futures, valid from 1 October 2017 until 31 December 2017.

The relevant conditions and details as well as the exact parameters of the Market-Making scheme and of the revenue sharing scheme are contained in Eurex circular 095/17.

eurex clearing

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