Eurex Clearing Circular 041/18

Exchange Traded Commodities: Introduction of options on iShares Physical Gold ETC (IGLN)

Summary

Effective **22 May 2018**, Eurex Clearing AG (Eurex Clearing) will offer clearing services for options on iShares Physical Gold ETC (IGLN) introduced at Eurex Deutschland.

This circular contains information on clearing of the respective products and the updated sections of the Price List of Eurex Clearing, which will come into effect on 22 May 2018.

Please refer to Eurex circular 028/18 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 Eurex Deutschland.

Furthermore, following measure of Eurex Clearing comes into effect as of 22 May 2018:

Rebates for options on iShares Physical Gold ETC (IGLN) as outlined in the “Product Specific Supplement” to the “Liquidity Provider Agreement“ (LPA), which is attached to Eurex circular 028/18.

Attachment:

Updated sections of the Price List of Eurex Clearing AG

Date: 2 May 2018

Recipients:
All Clearing Members, Basic Clearing Members, OTC IRS FCM Clients, Non-Clearing Members, Registered Customers of Eurex Clearing AG

Authorized by:
Heike Eckert

Target group:
All departments

Related circular:
Eurex circular 028/18

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Heike Eckert (Deputy CEO),
Matthias Graulich,
Thomas Laux,
Manfred Matusza

Aktiengesellschaft mit Sitz in Frankfurt/Main
HRB Nr. 44828
USt-IdNr. DE194821553
Amtsgericht Frankfurt/Main

Exchange Traded Commodities: Introduction of options on iShares Physical Gold ETC (IGLN)

1. Overview

Underlying instrument						
Name	Currency	Income	ISIN	Eurex ID	Ticker	Market
iShares Physical Gold ETC	USD	n/a	IE00B4ND3602	IGLN	IGLN LN	XLON

2. Contract specifications

For the detailed contract specifications please refer to Eurex circular 028/18.

Eurex product	
Eurex product code	IGLN
Contract size	100 ETC shares
Tick size	USD 0.01
Contract months	Up to 60 months
Settlement	Physical delivery of the respective ETC shares two exchange days after the Last Trading Day
Daily settlement price	The Daily Settlement Price is established by Eurex. The Daily Settlement Prices for Exchange Traded Commodities Options are determined through the binomial model according to Cox/Ross/Rubinstein
Last trading day	The last trading day shall be the third Friday of each expiration month, if this is an exchange day, otherwise the exchange day immediately preceding that day.
Reference price	Closing price determined within the electronic trading system of London Stock Exchange (XLON) on the last trading day
Exercise	American-style; an option can be exercised up to the end of the Post-Trading Full Period (20:00 CET) on any exchange day during the lifetime of the option
Matching principle	Price/Time
Product group	CNPOOU

The trading hours match existing ETC options. For details please refer to Eurex circular 028/18.

3. Transaction fees

The following transaction fees for trading and clearing apply for the new options on iShares Physical Gold ETCs:

Product	Orderbook transactions	Off-book transactions
Options on iShares Physical Gold ETC	USD 0.30	USD 0.40

Please refer to attachment for the updated sections of the Price List of Eurex Clearing AG (Price List).

The relevant amendments will become effective on 22 May 2018. As of the effective date, the full version of the amended Price List will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Price list

4. 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 under the link:

Risk management > Risk parameters

Pursuant to Number 14 Paragraph 3 of the Price List, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing AG within ten (10) business days after publication.

If you have any questions or need further information please contact Clearing Operations at tel. +49-69-211-1 12 50 or e-mail clearing@eurexclearing.com, or Risk Control, T +49-69-211-1 24 52 or e-mail:

2 May 2018

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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3. Transaction Fees for Derivatives Transactions (Order Book Transactions and Off-Book-Transactions on the Eurex Exchanges)

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3.1 Matching / Registration of Derivatives Transactions

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Product / Product Group	**Currency**	**Execution Type**	**Accounts**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold** (number of contracts)
[…]						
Exchange-traded Commodities Derivatives						
Exchange-traded Commodities Options						
ETFS Physical Gold Options	USD	Order book	A	0.20	n. a.	n. a.
			P	0.20	n. a.	n. a.
			M	0.20	n. a.	n. a.
		Off-book	A	0.20	n. a.	n. a.
			P	0.20	n. a.	n. a.
			M	0.20	n. a.	n. a.
iShares Physical Gold Options	USD	Order book	A	0.30	n. a.	n. a.
			P	0.30	n. a.	n. a.
			M	0.30	n. a.	n. a.
		Off-book	A	0.40	n. a.	n. a.
			P	0.40	n. a.	n. a.
			M	0.40	n. a.	n. a.

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3.2 Rebates

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3.2.1 Rebates for the Liquidity Provisioning

Rebates for the provisioning of liquidity pursuant to this Number are only granted if the respective Clearing Member, Non-Clearing Member or Registered Customer enters into the Liquidity Provider Agreement (LPA) with Eurex Frankfurt AG and ECAG and meets the requirements associated with it.

3.2.1.1 Rebates for the Liquidity Provisioning in Options

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d. Further products and product groups:

Product / Product Group	Building Blocks	Order book	Off-book
Options on Bloomberg Indices	Basis	50%	50%
	Package	n. a.	n. a.
	Total	**50%**	**50%**
FX-Options	Basis	0%	0%
	Package	50%	50%
	Total	**50%**	**50%**
ETF Options	Basis	40%	50%
	Package	25%	25%
	Stress Presence	10%	n. a
	Total	**75%**	**75%**
Xetra-Gold®-Options	Basis	50%	n. a.
	Package	n. a.	n. a.
	Total	**50%**	**n. a.**
iShares Physical Gold Options	Basis	50%	50%
	Package	n. a.	n. a.
	Total	**50%**	**50%**

[…]

3.3 Position Closing Adjustments

Product / Product Group	Fee per Contract
Exchange-traded Commodities Derivatives	
ETFS Physical Gold Futures ETFS Physical Gold Options	USD 0.40
iShares Physical Gold Options	USD 0.60

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3.7 Exercise of Options

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Product / Product Group	Accounts	Fee per Contract
Exchange-traded Commodities Derivatives		
ETFS Physical Gold Options	A	USD 0.20
	P	USD 0.20
	M	USD 0.20
iShares Physical Gold Options	A	USD 0.30
	P	USD 0.30
	M	USD 0.30

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