X-pand into the Future

eurex circular 139/16

Date: 21 December 2016
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

EURO STOXX 50® and SMI® Index Dividend Futures: Extension of Designated Market-Making scheme

Related Eurex Circular: 016/16

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Content may be most important for:

➲ All departments

Attachments:

1. Designated Market Maker Scheme for Futures on EURO STOXX® 50 and SMI® Index Dividend
2. Designated Market Maker Agreement for Futures on EURO STOXX® 50 and SMI® Index Dividend

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to extend the Designated Market-Making scheme for EURO STOXX 50® (FEXD) and SMI® (FSMD) Index Dividend Futures. The scheme will be offered for the period from **1 January 2017 to 31 December 2017.**

For more details on the scheme, please refer to attachment 1.

To register as Designated Market Maker, please use the form in attachment 2. Eurex Exchange will accept applications to this Designated Market-Making scheme up to and including **20 January 2017**. The date of registration will be that on which Eurex Exchange receives a valid and signed agreement. Performance of Designated Market Makers will be measured from that date.

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

Designated Market Maker Scheme for Futures on EURO STOXX 50® Index Dividend

Quote Obligations

Eurex Code: FEXD

In the order book:

Two-way quote provision:	Provision of two way quotes for the **first, second, third, fourth and fifth expiry** contracts in the series • with a minimum size of **100 contracts** on the bid and ask side • with a maximum spread of **1.0 percent** (based on bid price) for the **sixth, seventh and eighth expiry** contracts in the series • with a minimum size of **50 contracts** on the bid and ask side • with a maximum spread of **2.0 percent** (based on the bid price) for the **ninth and tenth expiry** contracts in the series • with a minimum size of **50 contracts** on the bid and ask side • with a maximum spread of **3.0 percent** (based on the bid price) The spread and size classification will be reviewed on a quarterly basis.
Quotation Period:	**80 percent** of the quotation period of the trading day, from 09:00 a.m. to 17:30 p.m. (CET), on a monthly average.
Designated Market Maker Fees:	**1 January 2017 up to 31 December 2017** refund of 50 percent of the transaction fees for contracts traded on M-Accounts (order book on the Eurex Exchanges and off-book-transactions entered via the Trade Entry Services) upon fulfilment of all obligations
Fast Market (definition and announcement by the Exchange)	Quote provisions - maximum spreads will be increased by 100 percent and the minimum quote size will be reduced by 50 percent.
Delay or Failure of the Underlying Index	Quote provision may be suspended until the delay is rectified or the failed index is calculated (or re-calculated) subject to the exchanges rules

Designated Market Maker Scheme for Futures on SMI® Index Dividend

Quote Obligations

Eurex Code: FSMD

In the order book:

Two-way quote provision	Provision of two way quotes for the **first, second and third expiry** contracts in the series • with a minimum size of **25 contracts** on the bid and ask side • with a maximum spread of **2.0 percent** for the **fourth and fifth contracts** in the series • with a minimum size of **25 contracts** on the bid and ask side • with a maximum spread of **4.0 percent** Provision of two way quotes for each of the contracts in the series
Quotation Period:	50 percent of the quotation period of the trading day, from 09:00 a.m. to 17:30 p.m. (CET), on a monthly average.
Designated Market Maker Fees:	**1 January 2017 up to 31 December 2017** refund of 50 percent of the transaction fees for contracts traded on M-Accounts (order book on the Eurex Exchanges and off-book-transactions entered via the Trade Entry Services) upon fulfilment of all obligations
Fast Market (definition and announcement by the Exchange)	Quote provisions - maximum spreads will be increased by 100 percent and the minimum quote size will be reduced by 50 percent.
Delay or Failure of the Underlying Index	Quote provision may be suspended until the delay is rectified or the failed index is calculated (or re-calculated) subject to the exchanges rules

Please return by e-mail or fax to:

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Designated Market Maker Agreement for Futures on EURO STOXX® 50 and SMI® Index Dividend

dated as of: _____

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

_____ ("Participant")
(name of participant)

hereby enter into this Designated Market Maker Agreement (the "Agreement") for the period from **1 January 2017 to 31 December 2017** under the conditions outlined below with respect to the following products (please tick the appropriate box):

Product	**Eurex product code**	**Please tick (✓) if applicable**
EURO STOXX® 50 Index Dividend Futures Contracts	FEXD	☐
SMI® Index Dividend Futures Contracts	FSMD	☐

in accordance with the terms and conditions stated in the Quote Obligations in their most recent form.

2. The Participant shall

a) Fulfil the Market-Making Scheme for Futures on EURO STOXX® 50 and/or SMI® Index Dividend as 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 authorization and expertise necessary to make decisions and act as the 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 (order book on Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges) and off-book-transactions entered into via Trade Entry Services) for the contracts traded by the Designated Market Makers on M-accounts in the respective product up to and including 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.

4. EFAG and ECAG shall, upon the 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. The 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 the 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 as well as 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.