X-pand into the Future

eurex circular 110/15

Date: 26 June 2015
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Michael Peters

EURIBOR futures:
Extension of Designated Market-Making agreement and transaction fee waiver

Related Eurex circulars: 279/14, 045/15

Related Eurex Clearing circulars: 182/14, 031/15

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Content may be most important for:
➲ All departments

Attachments:
1. Designated Market Maker Agreement
2. Designated Market Maker Quote Obligations and Incentives

Summary:

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG have decided to extend the Designated Market-Making agreement for EURIBOR futures (FEU3) to **31 December 2015**. This measure aims at ensuring and further improving liquidity in the order book.

Furthermore, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to waive transaction fees for EURIBOR futures from **1 July 2015** until **31 December 2015**.

Interested Participants are requested to fill in and return the attached Designated Market Maker agreement (attachment 1) by **3 July 2015** to Joachim Heinz, fax +49-69-211-61 59 55 or e-mail joachim.heinz@eurexchange.com for registration.

If you have any questions or require further information, please contact
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EURIBOR futures:
Extension of Designated Market-Making agreement and transaction fee waiver

1. Extension of existing Market-Making price model in EURIBOR futures (FEU3)

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG have decided to extend the Designated Market-Making agreement for EURIBOR futures until 31 December 2015. The existing scheme, which had been announced in December 2014 with Eurex circular 279/14, will be continued to run until 31 December 2015.

Eurex Exchange will continue to offer Market Makers who fulfil the quoting obligations of the Designated Market-Making scheme in EURIBOR futures (outrights) fixed stipends from 1 July 2015 until 31 December 2015. Payment of fixed stipends is limited to seven Market Makers per package.

Market Makers, who have been active in the Designated Market-Making scheme since the beginning of 2015, will automatically participate in the scheme extension. In case several applicants are interested, Eurex Exchange reserves the right to select – at its absolute discretion – Market Makers on the basis of experience and market capability. Eurex Exchange will keep a reserve list that will be used in case one of the seven possible Market Makers per package fails to fulfil its obligations.

2. Incentives for creation of open interest in EURIBOR futures (FEU3)

Combined with the fulfilment of quoting obligations, Eurex Exchange will continue to offer incentives to Market Makers for the creation of open interest in EURIBOR futures (FEU3) until 31 December 2015, as announced in Eurex circular 279/14. Please refer to attachment 2 for details of the Designated Market-Making scheme.

Interested Participants are requested to fill in and return the attached Designated Market Maker Rebate Agreement (attachment 1) by 3 July 2015 to Joachim Heinz, fax +49-69-211-61 59 55 or e-mail joachim.heinz@eurexchange.com for registration.

3. Fee waiver

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to waive transaction fees for EURIBOR futures from 1 July 2015 until 31 December 2015.

26 June 2015

Please return by fax to:

Joachim Heinz
Fax no. +49-69-211- 61 59 55

Designated Market Maker Rebate Agreement for Futures on Three-Month EURIBOR

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 Rebate Agreement (the "Agreement") under the conditions outlined below with respect to the following products:

Futures on	Eurex product code	Please tick (✓) the appropriate box
Three-Month EURIBOR (Outrights - PACK1)	FEU3	☐
Three-Month EURIBOR (Outrights - PACK2)	FEU3	☐

for the period from **1 July until 31 December 2015.**

2. The Participant will

a) Fulfil the Market-Making Obligations 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. The current Eurex Market-Making Obligations for Three-Month EURIBOR Futures were published in Eurex circular 110/15 and 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 Obligations.

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 Obligations 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 Designated Market Makers on M-accounts in the respective products up to and including **31 December 2015**. 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 Obligations 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 monthly stipends up to 31 December 2015 for a minimum volume of 5.000 traded contracts for each Market Maker per calendar month and upon fulfillment of the obligations as stated in attachment 2.

   c) Offer a monthly incentive for Open Interest held in M-accounts up to 31 December 2015 upon fulfillment of the obligations as stated in attachment 2.

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 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 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:

   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 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 indicated above.

Quote obligations and incentives in EURIBOR Futures: Designated Market-Making Scheme in Eurex Three-Month Euribor Futures (Outrights)

	Quote Obligations - Outrights					Incentive Package		
	Months	Expiry Months	Spread	Minimum Size (Quarterly Months)	Quotation Time	Fee Rebate	Stipend 2015	Net Revenue Sharing
	White, Reds & Greens					**White, Reds & Greens**		
Package 1 - Outrights	**White Months**	exp 1 - exp 2 exp 3 - exp 4	1.0 bps	500 symmetrical	80% of the Trading Day (8:00 a.m. - 5:00 p.m. CET)	100%	€ 12,000	n/a
	Red Months	exp 5 - exp 6 exp 7 - exp 8	1.0 bps	250 symmetrical	80% of the Trading Day (8:00 a.m. - 5:00 p.m. CET)			
	Green Months	exp 9 - exp 10 exp 11 - exp 12	1.5 bps	100 symmetrical	60% of the Trading Day (8:00 a.m. - 5:00 p.m. CET)			
	Blues & Golds					**Blues & Golds**		
Package 2 - Outrights	**Blue Months**	exp 13 - exp 16	2.0 bps	50 symmetrical	60% of the Trading Day (8:00 a.m. - 5:00 p.m. CET)	100%	€ 3,000	n/a
	Gold Months	exp 17 - exp 20	4.0 bps	50 symmetrical	60% of the Trading Day (8:00 a.m. - 5:00 p.m. CET)			

Quote Obligations for Market-Making in EURIBOR Futures (Outrights) and Incentives:

- In fast market conditions, the spread will be doubled and the number of contracts will be halved.
- The Market-Making scheme starts on 1 July 2015 and ends on 31 December 2015.
- Stipend payment in EURIBOR Futures (Outrights) subject to minimum volume of 5.000 contracts traded on M- and P-Accounts for each member per calendar month.

M-Account Open Interest Incentives (after fulfilment of MM obligations)

Open Interest* Held in M- Account			Incentive
Expiry Months	From (contracts)	To (contracts)	Total Monthly Incentive
All	0	9.999	€ 0
All	10.000	29.999	€ 7.500
All	30.000	99.999	€ 15.000
All	100.000	above	€ 25.000

*Open Interest is considered as the sum of longs & shorts for netted expiry
for Market-Makers Open Interest is calculated on a monthly average basis

The Open Interest Incentives are valid from 1 July 2015 until 31 December 2015.