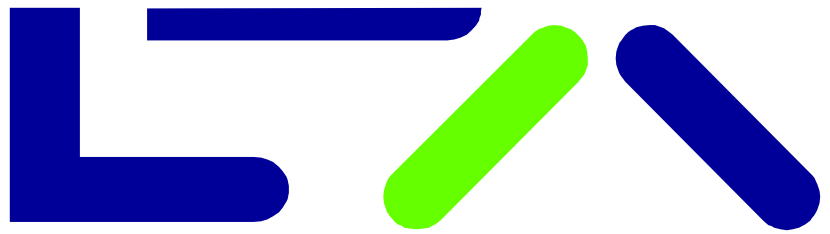


X-pand into the Future



eurex circular 186/13

Date: 20 August 2013
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich,
all Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Peter Reitz

Foreign exchange (FX) products: Introduction of FX futures and FX options

Related Eurex Clearing circular: 094/13

Contact: Holger Stürtz, Product Development, T +49-69-211-1 72 51,
holger.stuertz@eurexchange.com
Christian Csomos, Product Development, T +49-69-211-1 40 75,
christian.csomos@eurexchange.com

Content may be most important for:

Ü All departments

Attachments:

1. Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. FX futures Designated Market Maker scheme
3. FX futures Designated Market Maker application form
4. FX options Advanced/Regular Market Maker scheme
5. FX options Advanced/Regular Market Maker application form

Summary:

The Management Boards of Eurex Deutschland and Eurex Zürich and the Executive Board of Eurex Clearing AG decided to introduce FX futures and FX options on six currency pairs (EURUSD, EURCHF, EURGBP, GBPUSD, GBPCHF, USDCHF) with effect from **7 October 2013**.

To facilitate liquidity in the FX derivatives, Eurex Exchange will offer a Market-Making scheme including revenue sharing and a transaction fee rebate until the end of 2017 for FX futures and FX options. The FX derivatives will be physically delivered through the multi-currency settlement system Continuous Linked Settlement (CLS).



Eurex Deutschland
Börsenplatz 4
60313 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
memberservices@eurexchange.com
Internet:
www.eurexchange.com

Management Board:
Thomas Book, Michael Peters,
Andreas Preuss, Peter Reitz,
Jürg Spillmann

ARBN: 101 013 361

Foreign exchange (FX) products: Introduction of FX futures and FX options

The Management Boards of Eurex Deutschland and Eurex Zürich and the Executive Board of Eurex Clearing AG decided to introduce FX futures and FX options on six currency pairs (EURUSD, EURCHF, EURGBP, GBPUSD, GBPCHF, USDCHF) with effect from 7 October 2013.

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1. Product overview

Eurex products			
FX futures	Eurex product code	ISINs of FX futures	Underlying FX rate ISIN
FX futures on EURUSD	FCEU	DE000A1N53R4	EU0009652759
FX futures on EURCHF	FCEF	DE000A1N53S2	EU0009654078
FX futures on EURGBP	FCEP	DE000A1N53T0	EU0009653088
FX futures on GBPUSD	FCPU	DE000A1N53U8	GB0031973075
FX futures on GBPCHF	FCPF	DE000A1N53V6	GB0009534727
FX futures on USDCHF	FCUF	DE000A1N53W4	XC0009652816
FX options	Eurex product code	ISINs of FX options	Underlying FX rate ISIN
FX options on EURUSD - European Style	OCEU	EU0009652759	EU0009652759
FX options on EURCHF - European Style	OCEF	EU0009654078	EU0009654078
FX options on EURGBP - European Style	OCEP	EU0009653088	EU0009653088
FX options on GBPUSD - European Style	OCPU	GB0031973075	GB0031973075
FX options on GBPCHF - European Style	OCPF	GB0009534727	GB0009534727
FX options on USDCHF - European Style	OCUF	XC0009652816	XC0009652816

2. Contract specifications

For detailed contract specifications please see attachment 1.

FX futures						
Contract Size	EUR 100,000	EUR 100,000	EUR 100,000	GBP 100,000	GBP 100,000	USD 100,000
Underlying	EURUSD	EURCHF	EURGBP	GBPUSD	GBPCHF	USDCHF
Min. Price Movement	5 USD 0.00005	5 CHF 0.00005	5 GBP 0.00005	5 USD 0.00005	5 CHF 0.00005	5 CHF 0.00005
Contract Expiries	up to three years (two serial, four quarterly, four semi-annual expiries of the March/June/Sep/Dec cycle)					
Last Trading Day	third Wednesday of the contract month, close of trading at 16:00 CET					
Daily Settlement Price	VWAP (volume weighted average price) of the futures transactions calculated over a 60 second interval ending at 17:30 CET. If less than five transactions occur, the VWAP of the last five transactions conducted in the last 15 minutes before 17:30 CET or the mid-point of bid/ask prices in the order book before 17:30 CET is used.					

FX futures	
Final Settlement Price	VWAP of all transactions executed during the final trading minute ending at 16:00 CET. If no adequate prices are available, Eurex Exchange will use the average mid-price of the last displayed bid ask spot prices over a 60 second interval ending at 16:00 CET that are published by the data provider designated by Eurex Clearing.
Settlement	physical delivery of underlying currencies (T+2) via the CLS system
Min. Block Trading Size	all products: 500 contracts (50 million notional) EURUSD: 1000 contracts (100 million notional)

FX options (European style)						
Contract Size	EUR 100,000	EUR 100,000	EUR 100,000	GBP 100,000	GBP 100,000	USD 100,000
Underlying	EURUSD	EURCHF	EURGBP	GBPUSD	GBPCHF	USDCHF
Min. Price Movement	5 USD 0.00005	5 CHF 0.00005	5 GBP 0.00005	5 USD 0.00005	5 CHF 0.00005	5 CHF 0.00005
Contract Maturities	up to 3 years (2 serial, 4 quarterly, 4 semi-annual maturities of March/June/Sep/Dec cycle)					
Strike Price Interval	0.005 for maturities up to and including year 2 0.010 for maturities in year 3 and higher					
Last Trading Day	third Wednesday of the contract month, close of trading at 16:00 CET					
Daily Settlement Price	the underlying reference price for FX options contracts is the daily settlement price of the corresponding FX futures series					
Final Settlement Price	the final settlement price of the corresponding expiring FX futures contract shall be relevant for the FX options contract.					
Settlement	physical delivery of underlying currencies (T+2) via CLS system					
Min. Block Trading Size	all products: 500 contracts (50 million notional) EURUSD: 1000 contracts (100 million notional)					

FX options will have the corresponding FX currency pair as the underlying (options on spot FX).

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be published on Eurex Exchange's website www.eurexexchange.com at the start of trading under:

[Resources > Rules and Regulations > Contract specifications](#)

3. Trading hours (all times are CET)

Product	Pre-Trading Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day
					Trading until
FX futures	07:30–08:00	08:00–22:00	22:00–22:30	08:00–22:00	16:00

Product	Pre-Trading Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day	
					Trading until	Exercise until
FX options	07:30-08:00	08:00-19:30	19:30-20:30	08:00-20:00	16:00	20:00

4. Trading calendar

As of start of trading, a detailed list of the trading days can be found in the trading calendar which will be published on Eurex Exchange's website under the link:

[Trading > Trading calendar](#)

5. EurexOTC Trade Entry Facilities

The new FX futures and FX options will be admitted to the EurexOTC Block Trade facilities with a minimum block trade size of **500 contracts**, except for the FX futures and FX options on the EURUSD currency pair for which the minimum block trade size will be **1000 contracts**.

Participants who are already registered for Block Trading and/or Vola Trading may use the respective functions for the new FX futures and FX options without any further action.

Participants wishing to use the EurexOTC Trade Entry Facilities for the first time should confirm their acceptance of the General Conditions for Participation by signing the appropriate form and returning it to Eurex Exchange. In addition, where the participant firm is a Non-Clearing Member, its General Clearer must sign and return the General Clearer's Declaration Agreement at the same time. The necessary forms can be found on Eurex Exchange's website under the link:

[Resources > Forms > OTC Trade Entry](#)

6. Product groups

The new products have been assigned to the following product groups:

Product	Product name	Settlement location	Regulatory status	Settlement type	Product type	Product segment	Product currency	Product group ID					
								X	N	P	H	3	U
FCEU	FX futures on EURUSD	CLS	N	P	F/O	FX	USD	X	N	P	H	3	U
FCEF	FX futures on EURCHF	CLS	N	P	F/O	FX	CHF	X	N	P	H	3	C
FCEP	FX futures on EURGBP	CLS	N	P	F/O	FX	GBP	X	N	P	H	3	G

Product	Product name	Settlement location	Regulatory status	Settlement type	Product type	Product segment	Product currency	Product group ID					
								X	N	P	H	3	U
FCPU	FX futures on GBPUSD	CLS	N	P	F/O	FX	USD	X	N	P	H	3	U
FCPF	FX futures on GBPCHF	CLS	N	P	F/O	FX	CHF	X	N	P	H	3	C
FCUF	FX futures on USDCHF	CLS	N	P	F/O	FX	CHF	X	N	P	H	3	C
OCEU	FX options on EURUSD - European Style	CLS	N	P	F/O	FX	USD	X	N	P	H	3	U
OCEF	FX options on EURCHF - European Style	CLS	N	P	F/O	FX	CHF	X	N	P	H	3	C
OCEP	FX options on EURGBP - European Style	CLS	N	P	F/O	FX	GBP	X	N	P	H	3	G
OCPU	FX options on GBPUSD - European Style	CLS	N	P	F/O	FX	USD	X	N	P	H	3	U
OCPF	FX options on GBPCHF - European Style	CLS	N	P	F/O	FX	CHF	X	N	P	H	3	C
OCUF	FX options on USDCHF - European Style	CLS	N	P	F/O	FX	CHF	X	N	P	H	3	C

7. Transaction fees

The fees for trading, clearing and settlement for FX derivatives are detailed in the current Price List for Eurex Clearing AG on Eurex Exchange's website under the link:

[Resources > Rules and Regulations > Price list](#)

8. Risk parameters

At the start of trading, risk parameters will be published on Eurex Exchange's website under the link:

[Market data > Clearing data > Risk parameters and initial margins](#)

9. Market-Making in FX futures

Details of the FX futures Advanced Market Making (AMM) scheme are included in Attachment 2 to this circular.

Please use the form provided in Attachment 3 to participate in the Market-Making scheme for FX futures.

10. Market-Making in FX options

Details of the FX options Market-Making scheme are included in Attachment 4 to this circular.

Please use the form provided in Attachment 5 to participate in the Market-Making scheme for FX options.

The updated Market Maker obligations will be available on Eurex Exchange's website at the start of trading under the following link:

Trading > Market model > Market Making > Market Maker obligations

If you have any questions or if you are interested in market-making in these products, please contact Holger Stürtz (Product Development), tel. +49-69-211-1 72 51, e-mail: holger.stuertz@eurexchange.com or Reny Morsch (Sales), tel. +44-20-7862-72 24, e-mail: reny.morsch@eurexchange.com.

11. Mistrade parameters

Mistrade ranges for the new FX futures and FX options will be available for download on the Eurex Exchange's website at the start of trading under the following path:

Products > FX Derivatives**12. Data vendor codes**

At the start of trading, vendor codes for the new FX products will be published on Eurex Exchange's website under the link:

Products > Vendor Product Codes**13. Simulation**

Two new FX products (FX futures and FX options) will be available in the simulation environment of Eurex Exchange's new trading system T7 as of 23 August 2013:

Eurex products in T7 simulation	
Product	Product code
FX futures on EURUSD	FCEU
FX options on EURUSD - European Style	OCEU

14. Settlement process

FX futures that have not been closed out before expiration and FX options that have been exercised and assigned at expiry date will result in a physical delivery of the corresponding currencies once per month (payment vs. payment) in T+2 days after the last trading day, which is the third Wednesday of the contract month. Thus, the settlement day is the Friday following the third Wednesday of the contract month.

Eurex Clearing will require all Clearing Members to provide a CLS settlement infrastructure/CLS connection to clear and settle FX derivatives. This can be achieved either by an own CLS settlement membership or by usage of a CLS third party provider.

Without having this infrastructure in place, a Clearing Member and his associated Non-Clearing Members are not allowed to trade FX products.

Further, each interested Eurex Clearing Member needs to provide cash payment account details to Eurex Clearing using the form provided in Eurex Clearing circular 094/13, Attachment 4.

Further details regarding the settlement process of FX derivatives will be published in a separate Eurex Clearing circular.

20 August 2013

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

**1. Part:
Contract Specifications for Futures Contracts**

[...]

**1.18 Subpart:
Contract Specifications for FX Futures Contracts**

This subpart contains contract specifications for futures contracts on currencies, which are hereinafter referred to as "FX Futures Contracts".

1.18.1 Subject Matter of Contract

(1) An FX Futures Contract is a futures contract on the purchase of units of a specified base currency against payment of units of a specified quote currency. An FX Futures contract is traded in its respective quote currency.

(2) FX Futures Contracts on the following combinations of base and quote currencies are available for trading at the Eurex Exchanges:

- § Sterling - Swiss Franc
- § Sterling - US Dollar
- § Euro - Sterling
- § Euro - Swiss Franc
- § Euro - US Dollar
- § US Dollar - Swiss Franc

The currency stated first in each currency pair is the base currency of such pair; the currency stated second is the quote currency.

(3) The nominal value of an FX Futures Contract shall be equal to 100,000 units of the base currency.

1.18.2 Obligation for Performance

- (1) After the close of trading, the seller of an FX Futures Contract shall pay an amount in the base currency being equal to the nominal value of the FX Futures Contract.
- (2) The purchaser of an FX Futures Contract shall pay an amount in the quote currency being equal to (i) the nominal value of the FX Futures Contract multiplied by (ii) the final settlement price (Chapter II Subsection 2.19.2 of the Clearing Conditions of Eurex Clearing AG).

1.18.3 Term

For FX Futures Contracts, terms expiring on the final settlement day (Subsection 1.18.4 Paragraph 1) of the next two months, the next four quarter expiration months (March, June, September, December) and the next four half year expiration months (June, December) are available for trading at the Eurex Exchanges.

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

- (1) The last trading day and final settlement day of FX Futures Contracts shall be the third Wednesday of the month in which the term of the respective FX Futures Contract expires.
- (2) In case such last trading day is a holiday, the Exchange day preceding such day shall be the last trading day.
- (3) Close of trading of FX Futures Contracts shall be at 4.00 pm CET on the last trading day.

1.18.5 Price Gradations

The price of an FX Futures Contract shall be quoted as a decimal number with five decimal places. The minimum price change (tick) shall be 0.00005, which corresponds to a value per FX Futures Contract of five units of the quote currency.

1.18.6 Performance, Physical Delivery

- (1) The performance day for FX Futures Contracts shall be the second Exchange day after the last trading day.
- (2) FX Futures Contracts shall be performed between the Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for effecting payments to the Non-Clearing Members served by it and to its own customers; the effecting of payments by Non-Clearing Members to their customers is the responsibility of such Non-Clearing Members.

[...]

**2. Part:
Contract Specifications for Options Contracts**

[...]

**2.13 Subsection:
Contract Specifications for FX Options Contracts**

This subpart contains contract specifications for options contracts on currencies (Foreign Exchange), which are hereinafter referred to as "FX Options Contracts".

2.13.1 Subject Matter of Contract

(1) An FX Options Contract is an options contract on the purchase or sale of units of a specified base currency against payment of units of a specified quote currency. An FX Options Contract is traded in its respective quote currency.

(2) FX Options Contracts on the following combinations of base and quote currencies are available for trading at the Eurex Exchanges:

- § Sterling - Swiss Franc
- § Sterling - US Dollar
- § Euro - Sterling
- § Euro - Swiss Franc
- § Euro - US Dollar
- § US Dollar - Swiss Franc

The currency stated first in each currency pair is the base currency of such pair; the currency stated second is the quote currency.

(3) The nominal value of an FX Options Contract shall be equal to 100,000 units of the base currency.

2.13.2 Call Option (Call)

(1) The purchaser of a call option (Call) has the right to demand, by way of exercising the option,

§ payment of an amount in the base currency being equal to the nominal value, against

§ payment of an amount in the quote currency being equal to (i) the exercise price of the option multiplied with (ii) the nominal value,

from the writer of the Call.

(2) The writer of a Call shall, at assignment of the option, be required to pay the amount in the base currency on the second Exchange day after the exercise of the option.

2.13.3 Put Option (Put)

(1) The purchaser of a put option (Put) has the right, by way of exercising the option, to demand from the writer of the Put

§ against payment to the writer of the Put of an amount in the base currency being equal to the nominal value,

§ the payment of an amount in the quote currency being equal to (i) the exercise price of the option multiplied with (ii) the nominal value.

(2) The writer of a Put shall, at assignment of the option, be required to pay the amount in the quote currency on the second Exchange day after the exercise of the option.

2.13.4 Term

For FX Options Contracts, terms expiring on the final settlement day (as defined in Subsection 2.13.5 Paragraph 1) of the next two months, the next four quarter expiration months (March, June, September, December) and the next four half year expiration months (June, December) are available for trading at the Eurex Exchanges.

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

(1) The last trading day and final settlement day of FX Options Contracts shall be the third Wednesday of the month in which the term of the respective FX Options Contract expires.

(2) In case such last trading day is a holiday, the Exchange day preceding such day shall be the last trading day.

(3) Close of trading of FX Options Contracts shall be at 4.00 pm CET on the last trading day.

2.13.6 Exercise Prices

Options series of FX Options Contracts may have exercise prices with price gradations of 0.005 units of the quote currency for terms up to 24 months, or of 0.010 units of the quote currency for terms of more than 24 months.

2.13.7 Number of Exercise Prices upon Admission of Contracts

Upon the admission of options contracts, at least fifteen exercise prices shall be made available for trading for each expiration day for each call and put, such that seven exercise prices are "in the money", one is "at the money" and seven are "out of the money".

2.13.8 Introduction of New Options Series

For an existing expiration month, the introduction of options series with new exercise prices at the beginning of the Pre-Trading Period of a given Exchange day shall take place at the latest at the point in time at which the minimum number of exercise prices in-the-money, at-the-money or out-of-the-money specified in Subsection 2.13.7, based on the last determination of the exchange rate between the respective base and quote currency, is no longer available on the Eurex Exchanges at the close of trading of such options contract. In the event that there is no exchange rate between the base and quote currency that is available on the Eurex Exchanges at the close of trading of the options contract (as determined by the Eurex Exchanges), the Eurex Exchanges may, for the purposes of this provision, determine such exchange rate at their discretion.

A new option series shall generally not be introduced if it would expire in fewer than five Exchange days, unless market conditions make such introduction necessary.

2.13.9 Price Gradations

The price of an options contract shall be quoted as a decimal number with five decimal places. The minimum price change (tick) shall be 0.00005, which corresponds to a value per FX Options Contract of five units of the quote currency.

2.13.10 Exercise

In derogation from Subsection 2.1.3 Paragraph 1, the holder of an FX option may exercise such option only on the final settlement day up to the end of the Post-Trading Full Period (European style).

2.13.11 Assignment

All exercises shall be assigned to the writers of the exercised options series after the end of the Post-Trading Full Period. Assignments shall be binding. In derogation from Subsection 2.1.5 Paragraph 1, exercises of an FX option may be assigned to the writers of such option only on the final settlement day.

2.13.12 Performance

(1) The settlement day is the second Exchange day after the exercise day.

(2) The performance of contracts shall be effected between the Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for effecting payments to the Non-Clearing Members served by it and to its own customers; the effecting of payments by Non-Clearing Members to their customers is the responsibility of such Non-Clearing Members.

[...]

Annex C in relation to Contract Specifications:

Trading Hours Futures Contracts

[...]

FX Futures Contracts

Product	Product-ID	Pre-Trading-Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day	
						Trading until	
Sterling - Swiss Franc Futures	FCPF	07:30-08:00	08:00-22:00	22:00-22:30	08:00-22:00	16:00	
Sterling - US Dollar Futures	FCPU	07:30-08:00	08:00-22:00	22:00-22:30	08:00-22:00	16:00	
Euro - Sterling Futures	FCEP	07:30-08:00	08:00-22:00	22:00-22:30	08:00-22:00	16:00	
Euro - Swiss Franc Futures	FCEF	07:30-08:00	08:00-22:00	22:00-22:30	08:00-22:00	16:00	
Euro - US Dollar Futures	FCEU	07:30-08:00	08:00-22:00	22:00-22:30	08:00-22:00	16:00	
US Dollar - Swiss Franc Futures	FCUF	07:30-08:00	08:00-22:00	22:00-22:30	08:00-22:00	16:00	

All times in CET

[...]

Trading Hours Options Contracts

[...]

FX-Options Contracts

Product	Product-ID	Pre-Trading-Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day	
						Trading until	Exercise until
Sterling - Swiss Franc Options	OCPF	07:30-08:00	08:00-19:30	19:30-20:30	08:00-20:00	16:00	20:00
Sterling - US Dollar Options	OCPU	07:30-08:00	08:00-19:30	19:30-20:30	08:00-20:00	16:00	20:00
Euro - Sterling Options	OCEP	07:30-08:00	08:00-19:30	19:30-20:30	08:00-20:00	16:00	20:00
Euro - Swiss Franc Options	OCEF	07:30-08:00	08:00-19:30	19:30-20:30	08:00-20:00	16:00	20:00
Euro - US Dollar Options	OCEU	07:30-08:00	08:00-19:30	19:30-20:30	08:00-20:00	16:00	20:00
US Dollar - Swiss Franc Options	OCUF	07:30-08:00	08:00-19:30	19:30-20:30	08:00-20:00	16:00	20:00

All times in CET

[...]



Designated Market Maker Scheme for FX Futures

Eurex offers interested participants the opportunity to act as Advanced Designated Market Makers (ADM) for FX futures.

As ADM in FX futures, Eurex participants undertake, amongst other things, to provide quotes on the bid and ask side for a specified minimum number of contracts while committing to maximum spreads and a predefined quotation period.

In return, Eurex will grant its ADMs a percentage **revenue sharing** according to the schedule below, depending on the time of registration. The amount of revenue sharing will be determined by the share of order book trading of the fulfilling Market Maker.

Eurex will also **refund** 100 percent of all trading and clearing fees for the contracts traded by the Designated Market Makers on M-accounts up to and including December 31, 2015 and refund 50 percent of all trading and clearing fees for the contracts traded by the Designated Market Makers on M-accounts between January 1, 2016 and December 31, 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 quote obligations are not fulfilled.

The reimbursement will take place on a monthly basis, if Market Maker obligations have been fulfilled.

Market participants who wish to register as Advanced Designated Market Makers (ADM) are requested to use the attached form (Attachment 3).

1. Available Packages (ADM) for FX futures

Participants can act as Designated Market Maker in one or in several packages.

Package 1		Package 2		Package 3		Package 4	
Product	Weighting Factor	Product	Weighting Factor	Product	Weighting Factor	Product	Weighting Factor
EURUSD	1	EURUSD	1	EURGBP	1.5	EURCHF	2
EURCHF	2	GBPUSD	1.5	GBPUSD	1.5	GBPCHF	3
EURGBP	1.5	USDCHF	2	GBPCHF	3	USDCHF	2

2. ADM Requirements in FX futures (permanent quotation)

Market-Making obligations have to be fulfilled in two out of three products of one package which qualifies the market maker for a fee reduction in all three products of the package as well as for the revenue sharing.

For Expirations		EURUSD	EURGBP	GBPUSD	EURCHF	USDCHF	GBPCHF	Min. Coverage
1M, 2M, Q1	Min Quote Size [Bid / Ask contracts]	50 / 50	40 / 40	30 / 30	30 / 30	20 / 20	20 / 20	all expirations
	Maximum Quote Spreads [ticks/absolute]	5 0.00025 USD	6 0.0003 GBP	7 0.00035 USD	7 0.00035 CHF	9 0.00045 CHF	12 0.0006 CHF	
	Quoting Period [% of Trad Hrs per day]	70	70	70	70	70	70	



For Expirations		EURUSD	EURGBP	GBPUSD	EURCHF	USDCHF	GBPCHF	Min. Coverage
Q2, Q3, Q4, HY1 - HY4	Min Quote Size [Bid / Ask contracts]	50 / 50	30 / 30	20 / 20	20 / 20	10 / 10	10 / 10	none
	Maximum Quote Spreads [ticks/absolute]	10 0.0005 USD	12 0.0006 GBP	14 0.0007 USD	14 0.0007 CHF	18 0.0009 CHF	24 0.0012 CHF	
	Quoting Period [% of Trad Hrs per day]	70	70	70	70	70	70	

The minimum quote size will be reduced by 50% and the maximum quote spreads will be doubled during fast market conditions

3. FX futures incentive scheme consist of two elements

a. Reduced Transaction and Clearing fees for Advanced Designated Market Maker

- Zero fees for order book trades of market makers that fulfill their market-making obligations, valid for the first two years until 31 December 2015
- Zero fees for OTC EFP- trades of market makers that fulfill their market-making obligations, valid until 31 March 2014
- Reduced market maker fee as of year three

b. Revenue Sharing based on order-book volumes that have been traded by the Market Maker in FX futures on a pro-rata basis per month:

- Only the Top 10 market makers that quote at least in one package will qualify for the revenue sharing
- All order-book and OTC Wholesale revenues are subject to the revenue sharing scheme
- Revenue distribution refers to the monthly pro-rata order-book traded volume of the fulfilling market maker
- This part of the program is valid until 31 December 2017

Revenue sharing conditions

To participate in the revenue sharing scheme the contract has to be signed before 1 February 2014

For market makers signing up before 1 December 2013 the full revenue sharing scheme applies, those market makers that step in between 1 December 2013 and 31 January 2014 will not participate in the revenue sharing for the year 2017.

Only market makers who fulfill their MM obligations qualify for the revenue sharing (measured on a monthly basis).

Market makers need to apply for at least one package to participate in the revenue sharing program.

Calculation of the revenue sharing fund

Volume that has been traded on M-accounts in the order book is considered for the calculation. In case of a multiple package support, the pair which is included manifold is only considered once. Nevertheless the volume which is generated in products outside the package is also factored in for the revenue sharing.

In order to determine the market maker ranking the traded volume will be weighted differently. Products have different weighting factors associated to the underlying spot rate liquidity and will be reviewed regularly.

For example, volume traded in FX futures on USDCHF will be doubled when computing the market maker



ranking. Please refer to the table under point 1. above for the individual weighting factors.

Revenue Sharing	Y1	Y2	Y3	Y4
Regular MM Fee* USD	0	0	0.15	0.15
Revenue Sharing [% Overall FX Revenue]	75	75	50	50**

* if Market-Making obligations are fulfilled
 ** only Market Makers who register for the Market Maker scheme before 1 February 2014 will be rewarded in year 4



Application Form – FX Futures Designated Market Maker Scheme

To Eurex
Product Development
Holger Stürtz

Fax no. +49 (0)69 2 11-61 72 51

Application for the Status of Advanced Designated Market Maker for FX futures: (FX futures on EURUSD, EURCHF, EURGBP, GBPUSD, GBPCHF, USDCHF)

1. We _____
(name of Member)

herewith apply for the status of Designated Market Maker in FX futures in accordance with the terms and conditions stated in the Quote Obligations (Attachment 2).

2. As a Designated Market Maker

- a) we will provide bid and ask quotes on both sides of the market
 - for the minimum number of contracts specified in the Quote Obligations;
 - in compliance with the maximum spread specified in the Quote Obligations; and
 - for the period of time specified in the Quote Obligations (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract;
- b) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;
- c) we will ensure that a Eurex trading screen and a qualified trader are available for Designated Market Makers; and
- d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfill these obligations.

3. Eurex will in return

- a) refund 100 percent of all trading and clearing fees for the contracts traded by the Designated Market Makers on M-accounts up to and including 31 December 2015 and refund 50 percent of all trading and clearing fees for the contracts traded by the Designated Market Makers on M-accounts between 1 January 2016 and 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 Quote Obligations are not fulfilled;
- b) mention the name of the Eurex Member with the Designated Market Maker status in advertising and informative material in connection with the contracts;



- c) make Eurex speakers and printed material available for seminars organized by the Designated Market Makers regarding FX futures, if desired.
- d) share revenues generated from FX futures on a monthly basis as follows, provided that the application is received by Eurex before 1 February 2014:
 - if application is received by Eurex before 1 December 2013 share FX futures revenues 75% in year 2014, 75% in year 2015, 50% in year 2016, 50% in year 2017
 - if application is received by Eurex between 1 December 2013 and 31 January 2014 share FX futures revenues 75% in year 2014, 75% in year 2015, 50% in year 2016
4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex.

In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to terminate the agreement and to publicly disclose the termination of the Designated Market Maker status at Eurex' discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.
5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Quote Obligations.
6. Eurex shall have the right to amend or expand one or more of the conditions laid down in this agreement for limited periods of time at its sole discretion with validity for all Designated Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more condition(s), the Designated Market Makers must, for their part, ensure that they can be contacted so that they can be promptly advised that this situation has ceased to exist.
7. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the Designated Market Maker status, which expires depending on the time of registration. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.
8. The associated Quote Obligations for FX futures (Attachment 2) are an integral part of this application.



**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 application for the status of Designated Market Maker to the indicated fax number.



Advanced / Regular Market Maker Scheme for FX Options

Eurex offers interested participants the opportunity to act as Advanced Market Makers (AMMs) or / and as Regular / Request for Quote Market Makers (RMMs) for FX options. Permanent Market Making (PMM) will also be available but Permanent Market Makers will not participate in the revenue sharing.

As AMM, Eurex participants undertake to provide quotes on the bid and ask side for a specified minimum number of contracts while committing to maximum spreads.

As RMM, Eurex participants undertake to provide quotes on the bid and ask side for a specified minimum number of contracts on request while committing to maximum spreads.

In return, Eurex will grant its AMMs and RMMs a percentage **revenue sharing** according to the schedule below, depending on the time of registration. The amount of revenue sharing will be determined by the share of order book trading of the fulfilling Market Maker.

Eurex will also **refund** 100 percent of all trading and clearing fees for the contracts traded by the AMM / RMM Market Makers on M-accounts up to and including December 31, 2015 and refund 50 percent of all trading and clearing fees for the contracts traded by the AMM / RMM Market Makers on M-accounts between January 01, 2016 and December 31, 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 Quote Obligations are not fulfilled.

The reimbursement will take place on a monthly basis, if Market Maker Obligations have been fulfilled.

Market participants who wish to register as AMM/RMM Market Makers are requested to use the attached form (Attachment 5).

All Eurex members admitted to trading FX products are authorized to enter quotes in all option contracts and may choose between the following models, whereby a member can be active in both market-making models and in more than one package.

1. Available Packages (AMM / RMM) for FX Options

Participants can act as Advanced Market Maker /Regular Market Makers in one or in several packages.

Package 1		Package 2		Package 3		Package 4	
Product	Weighting Factor	Product	Weighting Factor	Product	Weighting Factor	Product	Weighting Factor
EURUSD	1	EURUSD	1	EURGBP	1.5	EURCHF	2
EURCHF	2	GBPUSD	1.5	GBPUSD	1.5	GBPCHF	3
EURGBP	1.5	USDCHF	2	GBPCHF	3	USDCHF	2

2. Advanced Market-Making (AMM) in FX options

Market-Making obligations have to be fulfilled in two out of three products of one package which qualifies the market maker for a fee reduction in all three products of the package as well as for the revenue sharing.



Requirements in FX options for Advanced Market-Making

For Expirations		EURUSD	EURGBP	GBPUSD	EURCHF	USDCHF	GBPCHF	Min. Coverage
1M, 2M, Q1	Min Quote Size [Bid/Ask]	50 / 50 contracts	40 / 40 contracts	30 / 30 contracts	30 / 30 contracts	20 / 20 contracts	20 / 20 contracts	all expirations
	Number of strikes to be quoted around at-the-money	9	9	9	9	9	9	
	Maximum Spreads [Bid prices]							
	0 – 0.005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	
0.00505 – 0.15	10 %	10 %	10 %	10 %	10 %	10 %	10 %	
> 0.15	0.015	0.015	0.015	0.015	0.015	0.015	0.015	
Quoting Period [% of Trad. Hrs]		70	70	70	70	70	70	

For Expirations		EURUSD	EURGBP	GBPUSD	EURCHF	USDCHF	GBPCHF	Min. Coverage
Q2, Q3, Q4	Min Quote Size [Bid/Ask]	50 / 50 contracts	30 / 30 contracts	20 / 20 contracts	20 / 20 contracts	10 / 10 contracts	10 / 10 contracts	1 of 3 expirations
	Number of strikes to be quoted around at-the-money	5	5	5	5	5	5	
	Maximum Spreads [Bid prices]							
	0 – 0.005	0.001	0.001	0.001	0.001	0.001	0.001	
0.00505 – 0.15	20 %	20 %	20 %	20 %	20 %	20 %	20 %	
> 0.15	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
Quoting Period [% of Trad. Hrs]		70	70	70	70	70	70	

The minimum quote size will be reduced by 50% and the maximum quote spreads will be doubled during fast market conditions

3. Regular Market-Making (RMM / Request for Quote Market-Making) in FX options

Participants can act as 'RFQ' Market Maker in minimum one package. The obligations are:

- response to quote requests (QR) in all series up to three years
- minimum 50%; maximum of 75 QR have to be answered per day on a monthly average

Requirements in FX options for Regular Market-Making (Request for Quote)

For Expirations		EURUSD	EURGBP	GBPUSD	EURCHF	USDCHF	GBPCHF	Min. Coverage
1M, 2M, Q1	Min Quote Size [Bid/Ask]	100 / 100 contracts	80 / 80 contracts	60 / 60 contracts	60 / 60 contracts	40 / 40 contracts	40 / 40 contracts	all expirations
	Number of strikes to be quoted [%]	100%	100%	100%	100%	100%	100%	
	Maximum Spreads [Bid prices]							
	0 – 0.005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	
0.00505 – 0.15	10 %	10 %	10 %	10 %	10 %	10 %	10 %	
> 0.15	0.015	0.015	0.015	0.015	0.015	0.015	0.015	
Number of Quote Requests [min / max per day]		75/150	75/150	75/150	75/150	75/150	75/150	

For Expirations		EURUSD	EURCHF	GBPUSD	EURGBP	USDCHF	GBPCHF	Min. Coverage
Q2, Q3, Q4, HY1 - HY4	Min Quote Size [Bid/Ask]	100 / 100 contracts	60 / 60 contracts	40 / 40 contracts	40 / 40 contracts	20 / 20 contracts	20 / 20 contracts	all expirations
	Number of strikes to be quoted [%]	100%	100%	100%	100%	100%	100%	
	Maximum Spreads [Bid prices]							
	0 – 0.005	0.001	0.001	0.001	0.001	0.001	0.001	
0.00505 – 0.15	20 %	20 %	20 %	20 %	20 %	20 %	20 %	
> 0.15	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
Number of Quote Requests [min / max per day]		75/150	75/150	75/150	75/150	75/150	75/150	

The minimum quote size will be reduced by 50% and the maximum quote spreads will be doubled during fast market conditions



4. FX options incentive scheme consist of two elements

a. Reduced Transaction and Clearing fees for AMM / RMM Market Maker

Advanced Market Maker (AMM) and Regular Market Maker (RMM) will benefit from reduced transaction and clearing fees as follows:

- Zero fees for market makers that fulfill their market-making obligations, valid for the first two years until 31 December 2015
- Reduced market maker fee as of year three

b. Revenue Sharing based on order-book volumes that have been traded by the Market Maker in FX options on a pro-rata basis per month:

- Only the Top 10 market makers that quote at least in one package will qualify for the revenue sharing
- All order-book and OTC Wholesale revenues are subject to the revenue sharing scheme
- Revenue distribution refers to the pro-rata traded volume of the fulfilling market maker
- This part of the program is valid until 31 December 2017

Revenue Sharing Conditions

To participate in the revenue sharing scheme the contract has to be signed before 1 February 2014

For market makers signing up before 1 December 2013 the full revenue sharing scheme applies, those market makers which step in between 1 December 2013 and 31 January 2014 will not participate in the revenue sharing for the year 2017.

Only market makers who fulfil their MM obligations qualify for the revenue sharing (measured on a monthly basis). Market makers need to apply for at least one package to participate in the revenue sharing program.

Calculation of the revenue sharing fund

Volume that has been traded on M-accounts in the order book is considered for the calculation. In case of a multiple package support, the pair which is included manifold is only considered once.

Nevertheless the volume which is generated in products outside the package is also factored in for the revenue sharing.

In order to determine the market maker ranking the traded volume will be weighted differently.

Products have different weighting factors associated to the underlying spot rate liquidity and will be reviewed regularly.

As an example volume traded in FX futures on USDCHF will be doubled when computing the market maker ranking. Please refer to the table under point 1. above for the individual weighting factors.



Revenue Sharing	Y1	Y2	Y3	Y4 cont.
Regular MM Fee* USD	0	0	0.15	0.15
Revenue Sharing [% Overall FX Revenue]	100	75	50	25

* If Market-Making obligations are fulfilled



Application Form – FX Options Advanced Market Maker (AMM) Scheme / Regular Market Maker (RMM) Scheme

To Eurex
Product Development
Holger Stürtz

Fax no. +49 (0)69 2 11-61 72 51

Application for the Status of Advanced Market Maker / Regular Market Maker for FX options: (Options on EURUSD, EURCHF, EURGBP, GBPUSD, GBPCHF, USDCHF)

1. We _____
(name of member)

herewith apply for the status of (please tick as appropriate)

- Advanced Market Maker in FX options
- Regular Market Maker in FX options

in accordance with the terms and conditions stated in the Quote Obligations for FX options (Attachment 4).

2. As an Advanced Market Maker / Regular Market Maker for FX options

- a) we will provide bid and ask quotes on both sides of the market
- for the minimum number of contracts specified in the FX options Quote Obligations
 - in compliance with the maximum spread specified in the FX options Quote Obligations and
 - for the period of time specified in the Quote Obligations (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract and in response to quote requests;
- b) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;
- c) we will ensure that a Eurex trading screen and a qualified trader are available for Advanced Market Makers / Regular Market makers in FX options; and
- d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfill these obligations.



3. Eurex will in return

- a) refund 100 percent of all trading and clearing fees for the contracts traded by the AMM / RMM Market Makers on M-accounts up to and including 31 December 2015 and refund 50 percent of all trading and clearing fees for the contracts traded by the AMM / RMM Market Makers on M-accounts between 1 January 2016 and 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 Quote Obligations are not fulfilled;
- b) mention the name of the Eurex Member with the AMM / RMM status in advertising and informative material in connection with the contracts;
- c) make Eurex speakers and printed material available for seminars organized by the Market Makers regarding FX options, if desired.
- d) share revenues generated from FX options on a monthly basis as follows, provided that the application is received by Eurex before 1 December 2014:
 - if application is received by Eurex before 1 December 2013 share FX options revenues 100% in year 2014, 75% in year 2015, 50% in year 2016, 25% in year 2017
 - if application is received by Eurex between 1 December 2013 and 31 January 2014 share FX options revenues 100% in year 2014, 75% in year 2015, 50% in year 2016

4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex.

In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to terminate the agreement and to publicly disclose the termination of AMM / RMM Market Maker status at Eurex' discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Quote Obligations.

6. Eurex shall have the right to amend or expand one or more of the conditions laid down in this agreement for limited periods of time at its sole discretion with validity for all Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more condition(s), the Market Makers must, for their part, ensure that they can be contacted so that they can be promptly advised that this situation has ceased to exist.

7. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the AMM / RMM Market Maker status, which expires depending on the time of registration. After that time, the title "Advanced Market Maker" / "Regular Market Maker" can no longer be used unless otherwise agreed with Eurex.

8. The associated Quote Obligations for FX options (Attachment 4) are an integral part of this application.



**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 application for the status of AMM / RMM Market Maker to the indicated fax number.