X-pand into the Future

e u r e x *circular 279/12*

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Recipients: All Trading Participants of Eurex Deutschland, Eurex Zürich and Vendors
Authorized by: Peter Reitz

EURIBOR Futures: New Designated Market-Making scheme

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Content may be most important for:

Ü All departments

Attachments:

1. Designated Market Maker Application Form
2. Designated Market Maker Quote Obligations

Summary:

The Management Boards of the Eurex Exchanges and the Management Board of Eurex Clearing AG have decided to introduce a new Designated Market-Making scheme for futures contracts on EURIBOR futures. The Designated Market-Making scheme will be valid from **1 January 2013 until 31 December 2014**. The new scheme is designed to guarantee and improve liquidity in the order book and will replace the scheme announced in March 2011 with Eurex circular 029/11 with validity from 1 March 2011 until 31 December 2013.

Please contact Joachim Heinz on tel. +49-69-211-1 59 55, fax +49-69-211-61 59 55 or e-mail joachim.heinz@eurexchange.com for any further questions you may have.

EURIBOR Futures: New Designated Market-Making scheme

The Management Boards of the Eurex Exchanges and the Management Board of Eurex Clearing have decided to introduce a new Designated Market-Making scheme for EURIBOR futures. Starting 1 January 2013, the new scheme will contribute to guarantee and improve liquidity in EURIBOR futures.

As a Designated Market Maker, the Eurex participant undertakes to continually provide bid and ask prices (quotes) for a specified minimum number of contracts and in compliance with maximum spreads for a predefined period of time. Designated Market Making will run from 1 January 2013 until 31 December 2014 and will replace the scheme announced in March 2011 with Eurex circular 029/11 with validity from 1 March 2011 until 31 December 2013).

Provided the Market Maker fulfils his obligations, Eurex will in return refund 100 percent of transaction fees for the contracts concluded by the Market Maker on M accounts.

Additionally, Eurex will share 50 percent of net revenues in 2013 and 2014 in EURIBOR futures which exceed the average daily volume traded in 2012, provided the Market Maker fulfilled its quote obligations. Revenue sharing amounts will be distributed according to the share in trading of each qualified Market Maker within the group of TOP 5 Market Makers by the end of 2013 and 2014, respectively.

Please refer to attachment 2 for details and exact parameters of the Market-Making scheme.

Participants who are interested in becoming Designated Market Makers in the new scheme are requested to fill out and return the attached Market Maker application (attachment 1) to Joachim Heinz, Eurex Product Development, fax +49-69-211-61 59 55 for registration.

19 December 2012

Application Form – Designated Market-Making Scheme

To Eurex
Product Development
Joachim Heinz
Mergenthalerallee 61

65760 Eschborn

Fax no.: +49-69-211-61 59 55

Application for the Status of Designated Market Maker in EURIBOR Futures

1. We _____
(name of participant)

herewith apply for the status of Designated Market Maker in the following contract in the EURIBOR-Futures (FEU3) for the period from **1 January 2013 until 31 December 2014 (commitment period)** in accordance with the terms and conditions stated in the Quote Obligations (attachment).

2. As a Designated Market Maker

   a) we will provide bid and ask quotes or orders on a continuous basis

      - for the minimum number of contracts specified in the quote obligations
      - in compliance with the Maximum Spreads specified in the quote obligations; and
      - for the period of time specified in the quote obligations

   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-Making; and

   d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfil these obligations.

3. Eurex will in return

   a) if desired – mention the name of the Eurex participant with the Designated Market Maker status in advertising and informative material in connection with the contracts;

   b) if desired – make Eurex spokesmen and printed material available for seminars organized by the Designated Market Makers regarding the fixed income futures; and

   c) refund all transaction fees for the contracts traded by the Designated Market Makers on Market Maker (M)-accounts up to 31 December 2014 upon fulfilment.

d) pay out 50 percent of the Eurex net revenues in EURIBOR Futures which exceed the average daily volume traded in 2012 provided the Market Maker has fulfilled its quote obligations. The revenue sharing will be distributed according to the trading share of each qualified Market Maker within the group of TOP 5 Market Makers by the end of 2013 and 2014.

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. 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 conditions, the Designated Market Makers must, for their part, ensure that the Designated Market Makers can also 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 on 31 December 2014. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

8. The associated Quote Obligations (attachment) 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 firm)	E-mail address

Please send the completed application for the status of Designated Market Maker to the indicated fax number.

Attachment to the Application for the Status of Designated Market Maker in EURIBOR Futures:

Quote Obligations

Eurex Product Code: **FEU3**

Minimum Size:

1st White Month:	500 contracts
2nd-4th White Months:	400 contracts
5th-6th Red Months:	200 contracts
7th-8th Red Months:	100 contracts
Green Months:	50 contracts
Blue Months:	25 contracts
Gold Months:*	25 contracts

symmetrical on the bid and ask side

Maximum Spread:

White Months:	1 tick
Red Months:	1.5 ticks
Green Months:	2 ticks
Blue Months:	3 ticks
Gold Months:*	5 ticks

Quotation Period:

White Months:	80%
Red Months:	80%
Green Months:	70%
Blue Months:	60%
Gold Months:*	0%

of the daily trading period between 08:00 a.m. CET and 07:00 p.m. CET on a monthly average

In fast market conditions the spread will be doubled and the number of contracts will be halved.

The commitment period starts 1 January 2013 and ends 31 December 2014

* Quotation in Gold contract months is on voluntary basis.