

X-pand into the Future



## eurex circular 057/17

**Date:** 7 June 2017  
**Recipients:** All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors  
**Authorized by:** Mehtap Dinc

**MSCI index derivatives: A. Introduction of index futures and options on MSCI EAFE,  
B. Amendment of strike price intervals in MSCI EM options**

**Contact:** Ralf Huesmann, Product R&D Equity and Index,  
T +49-69-211-1 54 43, [ralf.huesmann@eurexexchange.com](mailto:ralf.huesmann@eurexexchange.com),  
Nicolae Raulet, Product R&D Equity and Index,  
T +44-207-8 62 72 74, [nicolae.raulet@eurexexchange.com](mailto:nicolae.raulet@eurexexchange.com)

**Content may be most important for:**

➡ All departments

**Attachments:**

1. Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Designated Market Maker Agreement for Futures on MSCI Indices
3. Eurex Clearing circular 051/17

**Summary:**

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG took the decision to introduce additional futures and options on MSCI EAFE indexes effective **14 June 2017**. On the same date, the strike price intervals for MSCI Emerging Markets options will be amended.

This circular contains all information on the introduction of the new products and the updated sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG. Information on clearing of the new products as well as the updated sections of the relevant Rules and Regulations of Eurex Clearing AG are contained in Eurex Clearing circular 051/17, which we are providing to our Trading Participants as attachment 3.



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

Internet:  
[www.eurexexchange.com](http://www.eurexexchange.com)

Management Board:  
Thomas Book,  
Mehtap Dinc, Erik Tim Müller,  
Michael Peters, Randolph Roth

ARBN: 101 013 361

**MSCI index derivatives: A. Introduction of index futures and options on MSCI EAFE****1. Introduction date**

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to introduce the derivatives contracts specified below with effect from 14 June 2017.

**2. Overview**

Eurex products			Underlying instruments		
Futures	Product code	ISIN	ISIN	Bloomberg (end of day)*	Reuters (end of day)*
MSCI EAFE (USD, NTR)	FMFA	DE000A2DB9E0	XC000A2DB810	NDDUEAFE	.dMIEA00000NUS
MSCI EAFE (USD, Price)	FMFP	DE000A2DB9D2	CH0001693651	MSDUEAFE	.dMIEA00000PUS
Options					
MSCI EAFE (USD, NTR)	OMFA	DE000A2DB9G5	XC000A2DB810	NDDUEAFE	.dMIEA00000NUS
MSCI EAFE (USD, Price)	OMFP	DE000A2DB9F7	CH0001693651	MSDUEAFE	.dMIEA00000PUS

\*Under a different ID, these indexes are also calculated real-time. Basis for the calculation of the final settlement price, however, are the indexes listed above which are calculated once a day.

**3. Contract specifications**

For the detailed contract specifications please see attachment 1.

Underlying instrument	MSCI Indexes
<b>Description of underlying</b>	The index rules and regulations can be found on the MSCI website under <a href="http://www.msci.com">www.msci.com</a> .
<b>Contract value</b>	<p><b>Futures:</b></p> <ul style="list-style-type: none"> <li>MSCI EAFE (USD, NTR) (FMFA) – USD 10 per index point</li> <li>MSCI EAFE (USD, Price) (FMFP) – USD 50 per index point</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>MSCI EAFE (USD, NTR) (OMFA) – USD 10 per index point</li> <li>MSCI EAFE (USD, Price) (OMFP) – USD 50 per index point</li> </ul>
<b>Settlement</b>	Cash settlement, due on the first exchange trading day after settlement day
<b>Price determination</b>	In points, with two decimal places
<b>Minimum price change</b>	<p><b>Futures:</b></p> <ul style="list-style-type: none"> <li>MSCI EAFE (USD, NTR) (FMFA) – 1 (equals USD 10.00)</li> <li>MSCI EAFE (USD, Price) (FMFP) – 0.5 (equals USD 25.00)</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>MSCI EAFE (USD, NTR) (OMFA) – 0.1 (equals USD 1.00)</li> <li>MSCI EAFE (USD, Price) (OMFP) – 0.1 (equals USD 5.00)</li> </ul>
<b>Contract months</b>	<b>Futures:</b> The next twelve quarter months of the cycle March, June, September and December (36 months)

<b>Underlying instrument</b>	<b>MSCI Indexes</b>
	<b>Options:</b> The three nearest successive calendar months, the three following quarterly months of the March, June, September and December cycle thereafter, and the two following semi-annual months of the June and December cycle thereafter (24 months)
<b>Last trading day/ settlement day</b>	The third Friday of each maturity month, if this is a trading day at Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges), otherwise the trading day immediately preceding that day.  Close of trading for maturing series: <b>Futures</b> 22:00 CET; <b>Options</b> 17:30 CET  The settlement day is the trading day following the last trading day.
<b>Final settlement price</b>	Relevant for the MSCI equity index derivatives is the index closing price on the last trading day.

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be published on the Eurex website [www.eurexchange.com](http://www.eurexchange.com) as of start of trading under:

**Resources > Rules and Regulations > Contract specifications**

**4. Trading hours (CET)**

Product	Pre-trading period	Continuous Trading	Post-trading Full Period	TES Block Trading	Last trading day	
					Trading until	Exercise until
MSCI Futures	07:30 – 07:50	07:50 – 22:00	22:00 – 22:30	08:00 – 22:00	22:00	
MSCI Options	07:30 – 08:50	08:50 – 17:30	17:30 – 20:30	09:00 – 19:00	17:30	21:00

**5. Trading calendar**

Futures and options on the MSCI indexes are available for trading on each trading day at the Eurex Exchanges. The exact trading days can be found in the trading calendar which will be published on the Eurex website as of start of trading under the following link:

**Trading > Trading calendar**

**6. Product groups**

Product groups of the new products are as follows:

Product	Product group	Settlement location unit	Regulatory status	Settlement type	Product type	Product segment	Product currency	Product group code					
								X	N	C	H	Q	U
USD-denominated MSCI Futures and Options	E/I Futures and Options in USD	no	not approved for trading in the U.S.	cash	F/O	Equity index	USD	X	N	C	H	Q	U

## 7. Market-Making

The Eurex Exchanges offer interested Participants the opportunity to act as Market Makers for the new MSCI index futures and options contracts.

As Designated Market Makers (DMM) in index futures, Eurex Participants agree to supply bid and ask prices (quotes) for a determined minimum number of contracts while observing defined maximum spreads within a determined period of time.

In return, the Eurex Exchanges will grant its DMMs in the new MSCI futures a 50 percent refund of fees for all transactions executed on M-accounts up to and including 31 December 2017. Fulfilment can be accomplished via the DMM1 or DMM2 scheme, either during European or U.S. trading hours. Multiple refunds will not be granted if the requirements are fulfilled in both schemes or both time intervals.

Permanent Market Makers in the new MSCI index options will be granted a 75 percent refund of transaction fees for all transactions executed on M-accounts in the respective products up to and including 31 December 2017. Afterwards, the standard PMM rebates for equity index options apply.

Additionally, revenue sharing will be offered for the additional futures and options, in accordance to the existing model. This means that the new futures will count towards the volume-based revenue sharing scheme and will be part of the “Developed Markets Package“ and “Emerging Markets Package“, respectively. The number of products to be quoted in order to fulfil the packages remains unchanged. The detailed quote obligations and incentives linked to the two packages, as well as for the MSCI index options, are outlined in Eurex Circular 116/16.

The refund will be paid monthly if the Market Maker Obligations have been fulfilled.

Please refer to attachment 2 for the application form for Designated Market-Making in MSCI index futures. Market participants that have already registered as Designated Market Makers in the MSCI index futures do not need to re-apply. For Permanent Market-Making no application is necessary.

### a) Quote obligations: Designated Market-Making in MSCI index futures

Further requirements for the newly admitted products are as follows:

Equity index future on	Eurex product code	Minimum quote size (DMM1)	Maximum spread (DMM1)	Minimum quote size (DMM2)	Maximum spread (DMM2)	Package
		Contracts on bid and ask side	In basis points	Contracts on bid and ask side	In basis points	
MSCI EAFE (USD, NTR)	FMFA	10	30	30	60	DM
MSCI EAFE (USD, Price)	FMFP	5	30	15	60	DM

Continuous quotation must cover 70 percent of the trading hours between 09:00 CET and 17:30 CET or 70 percent of the trading hours between 15:30 CET and 22:00 CET. The front month must be quoted at all times; however, five exchange trading days prior to maturity, either the front month or the second maturity month may be quoted.

During the Fast Market phase, the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

### b) Quote obligations: Permanent Market-Making in MSCI index options

Permanent Market-Making at the Eurex Exchanges consists of continuous quotation of a series of strike prices for a predefined number of expiration months (expiration range). Continuous quotation must cover 85 percent

of the trading hours between 09:00 CET and 17:30 CET per calendar month on each exchange trading day (on a monthly average). Permanent Market Makers in MSCI index options are obliged to quote calls and puts in five strike prices (i.e. a total of ten series) out of a window of seven strike prices nearest to the current index price within the expiration range. Quote obligations for MSCI index options include the first six expiration months (lifetime up to one year). Currently, no quote requests have to be answered.

Further requirements for the new products are as follows:

Equity index options on	Eurex product code	Minimum quote size	Spread class	Minimum quote duration
		Contracts on bid and ask side		
MSCI EAFE (USD, NTR)	OMFA	10	15	85 percent of trading hours between 09:00 CET and 17:30 CET (monthly average)
MSCI EAFE (USD, Price)	OMFP	5	15	

During the Fast Market phase the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

As of start of trading, the Quote Obligations will be available on the Eurex website for download under the following link:

**Trading > Market-Making Options > Market Maker obligations**

**c) Revenue sharing schemes for Designated Market Makers (DMM)**

Designated Market Makers (only DMM1) can qualify for revenue sharing schemes in the aforementioned products. The schemes will run for all products from the product launch date until 31 December 2017.

Distribution takes place on a monthly basis to the Market Makers who qualified. Please refer to the next sections for the detailed revenue allocation.

As before, the revenue sharing amount is 20 percent of the net revenues from order book and off-book trades (transaction fees minus rebates) in MSCI index futures. For calculation, each product is considered separately.

The maximum number of Market Makers who can qualify for the revenue sharing scheme is limited to eight per product and month. If not more than eight Market Makers fulfil the Market Maker Obligations in a month and product, those will share the 20 percent. If more than eight Market Makers fulfil in a given month and product, only those eight Market Makers with the highest order book volumes will receive a share of revenue, whereby

- 5 percent are distributed evenly among all qualifying Market Makers;
- 15 percent are distributed according to the individual Market Maker's share of the overall trading volume of all qualifying Market Makers. Eligible transactions for determination of the trading volume are contracts traded in the order book on the M-account in MSCI index futures only.

**d) Revenue sharing schemes for Permanent Market Makers (PMM)**

Permanent Market Makers can qualify for revenue sharing schemes in the aforementioned products. The schemes will run for all products from the product launch date until 31 December 2017.

Distribution takes place on a monthly basis to the Market Makers who qualified. Please refer to the next sections for the detailed revenue allocation.

As before, the revenue sharing amount is 30 percent of the net revenues (cumulated transaction fees in the respective product paid by all Trading Participants minus rebates) in MSCI index options. For calculation, each product is considered separately.

The maximum number of Market Makers who can qualify for the revenue sharing scheme is limited to five per product and month. If not more than five Market Makers fulfil in a given month and product, the 30 percent will be distributed to these Market Makers. If more than five Market Makers fulfil in a given month, only those five Market Makers with the highest overall volumes (order book and off-book transactions) will receive a share of revenue.

- 10 percent are distributed evenly among the qualifying Market Makers.
- 20 percent are distributed according to the individual qualifying Market Maker's share of the overall trading volume of all qualifying Market Makers. Eligible transactions for determination of the trading volume are all contracts traded in the order book and all off-book trades.

## **8. Excessive System Usage Fee and Order to Trade Ratio**

Excessive System Usage Fee and Order to Trade Ratio are determined in line with the existing index derivatives (FINX). For detailed information, please refer to the Eurex website under the links:

**[Products > Equity Index Derivatives](#)** or

**[Technology > Excessive System Usage Fee](#)** or

**[Technology > Order to Trade Ratio](#)**

## **9. Mistrade parameters**

Mistrade ranges for the new index futures will be available for download on the Eurex website as of start of trading under the following link:

**[Products > Equity Index Derivatives > MSCI Indexes](#)**

## **10. Data vendor codes**

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

**[Products > Vendor Product Codes](#)**

## **11. Further information**

In the following, please find information on the new MSCI index futures and options, which is likewise contained in Eurex Clearing circular 051/17. The circular by Eurex Clearing AG is enclosed in this circular as attachment 3.

### **11.1 Admission to the T7 Entry Services (TES)**

The new MSCI index futures and options will be admitted to the T7 Entry Services (TES). Thereby, intra-day non-disclosure limits for the T7 Entry Services apply to the new MSCI index futures and options. Block Trades that reach or exceed the respective threshold values (see table) will not be disclosed intraday by the trading system T7 of the Eurex Exchanges. In order to guarantee non-disclosure in such cases, each trade will be validated against the respective non-disclosure limit determined by Eurex Clearing on product level. On the following day, the entire trading volume (including the trading volume which was not disclosed intra-day) will be updated and distributed to the market.

Future on	Eurex product code	Minimum Block-Trade Size	Intra-day non-disclosure limit
MSCI EAFE (USD, NTR)	FMFA	1	1.500
MSCI EAFE (USD, Price)	FMFP	1	1.000
Options on			
MSCI EAFE (USD, NTR)	OMFA	1	1.500
MSCI EAFE (USD, Price)	OMFP	1	1.000

Participants who are already registered for the T7 Entry Services may use the respective services for the new index futures and options without any further action.

Participants wishing to use the T7 Entry Services for the first time should confirm their acceptance of the General Conditions for Participation by signing the appropriate form and returning it to the Eurex Exchanges. In addition, where the member 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 the Eurex website under the following link:

**Resources > Forms**

**11.2 Eurex Flexible Futures Service**

The Eurex Flexible Futures Service will also be available for futures and options on the new MSCI indexes upon acceptance of the General Conditions for Participation.

**11.3 Transaction fees and rebates**

The following fees and rebates apply for trading, clearing and settlement for derivatives on the new MSCI indexes:

Contract	Currency	Standard fee per contract (contract number ≤ threshold value)	Reduced fee per contract (contract number > threshold value)	Threshold value A-accounts (contract number)	Threshold value P-accounts (contract number)
<b>On-exchange trades</b>					
MSCI Futures (USD denominated)	USD	0.50	n. a.	n. a.	n. a.
MSCI Options (USD denominated)	USD	0.50	0.25	3,000	2,000
<b>Off-exchange trades</b>					
MSCI Futures (USD denominated)	USD	0.75	n. a.	n. a.	n. a.
MSCI Options (USD denominated)	USD	0.50	0.25	3,000	2,000

For further details, please refer to the current Price List of Eurex Clearing AG on the Eurex website under the link:

**Resources > Rules and Regulations > Price list**

#### 11.4 Risk parameters

As of start of trading, risk parameters of the new products will be published on the Eurex website under the link:

**Market data > Clearing data > Risk parameters and initial margins**

The risk parameters for the new products can be found on the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com) under the link:

**Risk management > Risk parameters**

There, you will also find an up-to-date list with details for all Prisma-eligible Eurex products.

#### **B. Amendment of strike price intervals in MSCI EM options**

Effective 14 June 2017, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to reduce the strike price intervals of MSCI EM options (Price, USD) (Eurex code: OMEF).

The new strike price intervals are shown in Annex C of the Contract Specifications.

7 June 2017



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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

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

[...]

**1.3 Subpart:  
Contract Specifications for Index Futures Contracts**

The following subpart contains contract specifications for Futures contracts on stock index („Index Futures Contracts“).

**1.3.1 Subject Matter of Contract**

- (1) An Index Futures Contract is a futures contract on a specific stock index.
- (2) Futures Contracts on the following stock indices are available for trading at the Eurex Exchanges such that the publication of the enclosed institutions shall determine the composition, weighting and calculation:

[...]

- MSCI EAFE (NTR, USD) (MSCI Inc.)
- MSCI EAFE (Price, USD) (MSCI Inc.)

[...]

[...]

- (5) The value of a futures contract shall be:

[...]

- USD 10 per index point for Futures Contracts on the EURO STOXX 50® Index (Product ID: FESQ; the product FESQ is a quanto future, meaning the product currency (USD) differs from the currency of the index (EURO STOXX 50® Index, calculated in EUR)), RDX® USD Index, MSCI Australia Index, MSCI Canada (GTR, USD), MSCI Canada (NTR, USD), MSCI Colombia Index, MSCI EAFE (NTR, USD), MSCI Emerging Markets Latin America ex Brazil (USD, NTR), MSCI Europe (GTR, USD), MSCI Europe Index (NTR, USD), MSCI Frontier Markets Index, MSCI Indonesia, MSCI Japan Index (NTR, USD), MSCI Japan (GTR,

USD), MSCI Kokusai Index (NTR & GTR), MSCI North America (GTR, USD), MSCI North America (NTR, USD), MSCI Pacific Index (NTR & GTR), MSCI Pacific ex Japan, MSCI Peru Index, MSCI Qatar, MSCI Russia Index (Price, USD), MSCI Thailand Index, MSCI United Kingdom (NTR, USD), MSCI USA (GTR, USD), MSCI USA (NTR, USD) Index, MSCI USA Equal Weighted Index, MSCI USA Momentum Index, MSCI USA Quality Index, MSCI USA Value Weighted Index, MSCI World Growth (NTR, USD), MSCI World Value (NTR, USD), MSCI World Index (GTR, USD) and the MSCI World Index (NTR & Price, USD)

- [...]
- USD 50 per index point for Futures Contracts on the MSCI Chile Index, MSCI China Free Index, MSCI Czech Republic Index, MSCI EAFE (Price, USD), MSCI Egypt Index, MSCI Mexico Index, MSCI Emerging Market Index (Price, USD), MSCI Emerging Markets EMEA ex Turkey (USD, NTR), MSCI Philippines Index, MSCI Russia Index (NTR, USD), MSCI United Arab Emirates Index and the MSCI World Midcap Index

[...]

[...]

### 1.3.5 Price Gradations

The price of Index Futures Contracts shall be quoted in points. The minimum price change (Tick) shall be:

- [...]
- 0.5 points at
  - [...]
  - MSCI Chile, MSCI China Free, MSCI Czech Republic, MSCI EAFE (Price, USD), MSCI Egypt, MSCI Mexico, MSCI Emerging Markets EMEA ex Turkey (USD, NTR), MSCI Philippines and MSCI Russia (NTR, USD) and MSCI World Midcap, this represents a value of USD 25.00
  - [...]
  - 1 point at
    - [...]
    - MSCI AC ASEAN (NTR, USD), MSCI Australia, MSCI Canada (GTR, USD), MSCI Canada (NTR, USD), MSCI Colombia, MSCI EAFE (NTR, USD), MSCI Europe (GTR, USD), MSCI Europe (NTR, USD), MSCI Japan (NTR & GTR), MSCI North America (GTR, USD), MSCI North America (NTR, USD), MSCI United Kingdom (NTR, USD), MSCI Kokusai (NTR & GTR), MSCI Pacific (NTR & GTR), MSCI Pacific ex Japan, MSCI USA (GTR, USD), MSCI USA (NTR, USD), MSCI USA Equal Weighted, MSCI USA Momentum, MSCI USA Quality, MSCI USA Value Weighted, MSCI World Growth (NTR, USD), MSCI World Value (NTR, USD), MSCI World (GTR, USD) and MSCI World (NTR, USD), this represents a value of USD 10

[...]

## 2.4 **Subpart: Contract Specifications for Index Options**

The following subpart contains contract specifications for Options Contracts on stock indices ("Index Options").

### 2.4.1 **Subject Matter of Contract**

- (1) A stock index option contract shall refer to a specific stock index. The publications by the institutions listed in Number 1.3.1 shall determine the composition, weighting and calculation of the indices listed below.
- (2) Options Contracts on the following stock indices are available for trading at the Eurex Exchanges:

[...]

- MSCI EAFE (NTR, USD) (MSCI Inc.)
- MSCI EAFE (Price, USD) (MSCI Inc.)

[...]

[...]

- (5) The value of an Option contract shall be:
  - [...]
  - USD 10 per index point for Options contracts on MSCI EAFE (NTR, USD), MSCI Japan (NTR, USD), MSCI Russia (Price, USD), MSCI World (NTR & Price, USD) and RDX® USD Index
  - USD 50 per index point for Options contracts on the MSCI EAFE (Price, USD), MSCI Emerging Market Index (Price, USD) and on the MSCI China Free (NTR, USD)
  - [...]

[...]

### 2.4.9 **Price Gradations**

The price of an options contract will be quoted in points. The smallest price change (Tick) shall be 0.01 points for DivDAX®, MSCI Europe (NTR & Price, EUR), MSCI Europe Growth and MSCI Europe Value Options contracts, 0.05 points for EURO STOXX® Banks and STOXX® Europe 600 Banks Sector Index Options contracts, 1 point for Sensex Options contracts and 0.1 points for all other Index Option contracts, which represents a value of:

- [...]

- USD 1 for Sensex Options contracts, RDX® USD Options contracts, MSCI EAFE (NTR, USD), MSCI Japan (NTR, USD), MSCI Russia (Price, USD)-Options contracts, and MSCI World (NTR & Price, USD) Options contracts
- USD 5 for MSCI China Free (NTR, USD), MSCI EAFE (Price, USD) and for MSCI Emerging Markets (Price, USD) Options contracts
- [...]

[...]

### 3. Part: Contracts Off-Book

[...]

#### 3.2 Subpart: Contracts Admitted for Off-Book Trading

The following Futures and Options Contracts admitted for trading at Eurex Deutschland or Eurex Zürich may be entered using the Eurex T7 Entry Service for the trade types specified below.

##### 3.2.1 Block trades

The products listed below are admitted to block trading. Aside from the standard contract on a certain underlying instrument pursuant to Annex A and Annex B, contracts may also be traded according to a different type of execution, settlement and term, provided that this has been permitted by the Management Board in the table below ("Additional Contract Versions"). The terms of the trades may not exceed the maximum terms of a Eurex Future or Eurex Option defined by the Management Boards of the Eurex Exchanges and the exercise of the trades may not exceed the maximum execution of an option defined by the Management Boards of the Eurex Exchanges, multiplied by 2.5.

Product	Minimum number of contracts traded
Standard	Additional contract versions Y/N
Stock index options	

[...]

Product	Minimum number of contracts traded	
Standard	Additional contract versions Y/N	
<u>Options Contracts on the MSCI EAFE Index (NTR, USD) (OMFA)</u>	Y	1
<u>Options Contracts on the MSCI EAFE Index (Price, USD) (OMFP)</u>	Y	1
[...]		
<b>Index Futures</b>		
[...]		
<u>Futures Contracts on the MSCI EAFE Index (NTR, USD) (FMFA)</u>	Y	1
<u>Futures Contracts on the MSCI EAFE Index (Price, USD) (FMFP)</u>	Y	1
[...]		
[...]		

### 3.2.5 Vola trades

The following Contracts are admitted:

Options Contract	Futures Contract
[...]	
<u>Options Contracts on the MSCI EAFE Index (NTR, USD) (OMFA)</u>	<u>Futures Contracts on the MSCI EAFE Index (NTR, USD) (FMFA)</u>
<u>Options Contracts on the MSCI EAFE Index (Price, USD) (OMFP)</u>	<u>Futures Contracts on the MSCI EAFE Index (Price, USD) (FMFP)</u>
[...]	
[...]	

**Annex C in relation to Contract Specifications:**

[...]

**Exercise Prices for Index Options (2.4.6)**

Option series for Index Options may generally have the following exercise prices:

Contract	Exercise Price Intervals in Index Points for Contract Months with a Remaining Lifetime of					
	≤ 3 months	4-6 months	6-12 months	13-24 months	25-36 months	> 36 months
[...]						
<u>MSCI EAFE Index Options (NTR, USD) (OMFA)</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>100</u>	=	=
<u>MSCI EAFE Index Options (Price, USD) (OMFP)</u>	<u>25</u>	<u>25</u>	<u>50</u>	<u>100</u>		
[...]						
MSCI Emerging Markets Price Index Options (OMEF)	<u>255</u>	<u>2510</u>	<u>5010</u>	<u>10020</u>	<u>10050</u>	<u>10050</u>

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**Please return by e-mail or fax to:**

[ralf.huesmann@eurexchange.com](mailto:ralf.huesmann@eurexchange.com)

Fax no. +49-69-211- 61 54 43

**Designated Market Maker Agreement for Futures on  
MSCI Indices**

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 Agreement (the “Agreement”) under the conditions outlined below and the Quote Obligations in this circular with respect to the following products (please either tick for full packages or for individual Futures):

Package	Please tick (√) the appropriate box
<b>Developed Markets</b> package (i.e. all Futures shown in the next table as “DM”)	<input type="checkbox"/>
<b>Emerging Markets</b> package (i.e. all Futures shown in the next table as “EM”)	<input type="checkbox"/>

Package changes compared to the current scheme are marked in green.

Package	Futures on	Currency	Index type	Eurex code	Please tick (√) the appropriate box
<b>DM</b>	MSCI Australia	USD	NTR	FMAU	<input type="checkbox"/>
DM	MSCI Canada	USD	NTR	FMCA	<input type="checkbox"/>
DM	MSCI Canada	USD	GTR	FMGC	<input type="checkbox"/>
DM	MSCI France	EUR	NTR	FMFR	<input type="checkbox"/>
DM	MSCI France	EUR	GTR	FMGF	<input type="checkbox"/>
DM	MSCI Hong Kong	USD	NTR	FMHK	<input type="checkbox"/>
DM	MSCI Japan	USD	GTR	FMJG	<input type="checkbox"/>
DM	MSCI Japan	USD	NTR	FMJP	<input type="checkbox"/>
DM	MSCI New Zealand	USD	NTR	FMNZ	<input type="checkbox"/>
DM	MSCI Singapore	USD	NTR	FMSI	<input type="checkbox"/>
DM	MSCI UK	USD	NTR	FMDK	<input type="checkbox"/>
DM	MSCI UK	GBP	NTR	FMUK	<input type="checkbox"/>
DM	MSCI USA	USD	GTR	FMGS	<input type="checkbox"/>

Package	Futures on	Currency	Index type	Eurex code	Please tick (✓) the appropriate box
DM	MSCI USA	USD	NTR	FMUS	<input type="checkbox"/>
DM	MSCI USA Equal Weighted (High Exposure)	USD	NTR	FMUE	<input type="checkbox"/>
DM	MSCI USA Momentum (High Exposure)	USD	NTR	FMUM	<input type="checkbox"/>
DM	MSCI USA Quality (High Exposure)	USD	NTR	FMUQ	<input type="checkbox"/>
DM	MSCI USA Value Weighted (Capacity)	USD	NTR	FMUV	<input type="checkbox"/>
DM	MSCI EAFE	USD	Price	FMFP	<input type="checkbox"/>
DM	MSCI EAFE	USD	NTR	FMFA	<input type="checkbox"/>
DM	MSCI EMU	EUR	GTR	FMGM	<input type="checkbox"/>
DM	MSCI EMU	EUR	NTR	FMMU	<input type="checkbox"/>
DM	MSCI EMU Value	EUR	NTR	FMIV	<input type="checkbox"/>
DM	MSCI EMU Growth	EUR	NTR	FMIG	<input type="checkbox"/>
DM	MSCI Europe	USD	NTR	FMED	<input type="checkbox"/>
DM	MSCI Europe	EUR	Price	FMEP	<input type="checkbox"/>
DM	MSCI Europe	EUR	NTR	FMEU	<input type="checkbox"/>
DM	MSCI Europe	EUR	GTR	FMGE	<input type="checkbox"/>
DM	MSCI Europe	USD	GTR	FMGU	<input type="checkbox"/>
DM	MSCI Europe ex Switzerland	EUR	NTR	FMXS	<input type="checkbox"/>
DM	MSCI Europe Growth	EUR	NTR	FMEG	<input type="checkbox"/>
DM	MSCI Europe Value	EUR	NTR	FMEV	<input type="checkbox"/>
DM	MSCI Kokusai	USD	GTR	FMKG	<input type="checkbox"/>
DM	MSCI Kokusai	USD	NTR	FMKN	<input type="checkbox"/>
DM	MSCI North America	USD	GTR	FMGA	<input type="checkbox"/>
DM	MSCI North America	USD	NTR	FMNA	<input type="checkbox"/>
DM	MSCI Pacific	USD	NTR	FMPA	<input type="checkbox"/>
DM	MSCI Pacific	USD	GTR	FMPG	<input type="checkbox"/>
DM	MSCI Pacific ex Japan	USD	NTR	FMPX	<input type="checkbox"/>
DM	MSCI World	EUR	GTR	FMWE	<input type="checkbox"/>
DM	MSCI World	USD	GTR	FMWG	<input type="checkbox"/>
DM	MSCI World	EUR	NTR	FMWN	<input type="checkbox"/>
DM	MSCI World	USD	NTR	FMWO	<input type="checkbox"/>
DM	MSCI World	USD	Price	FMWP	<input type="checkbox"/>
DM	MSCI World Value	USD	NTR	FMOV	<input type="checkbox"/>
DM	MSCI World Growth	USD	NTR	FMOG	<input type="checkbox"/>
DM	MSCI World Midcap	USD	NTR	FMWM	<input type="checkbox"/>



Package	Futures on	Currency	Index type	Eurex code	Please tick (✓) the appropriate box
EM	MSCI AC ASEAN	USD	NTR	FMSE	<input type="checkbox"/>
EM	MSCI AC Asia	USD	NTR	FMAA	<input type="checkbox"/>
EM	MSCI AC Asia ex Japan	USD	NTR	FMXJ	<input type="checkbox"/>
EM	MSCI AC Asia P ex Jp	USD	NTR	FMAS	<input type="checkbox"/>
EM	MSCI AC Asia Pacific	USD	NTR	FMAP	<input type="checkbox"/>
EM	MSCI ACWI	USD	NTR	FMAC	<input type="checkbox"/>
EM	MSCI ACWI	EUR	NTR	FMAE	<input type="checkbox"/>
EM	MSCI ACWI ex USA	USD	NTR	FMXU	<input type="checkbox"/>
EM	MSCI Chile	USD	NTR	FMCL	<input type="checkbox"/>
EM	MSCI China Free	USD	NTR	FMCN	<input type="checkbox"/>
EM	MSCI Colombia	USD	NTR	FMCO	<input type="checkbox"/>
EM	MSCI Czech Rep	USD	NTR	FMCZ	<input type="checkbox"/>
EM	MSCI Egypt	USD	NTR	FMEY	<input type="checkbox"/>
EM	MSCI Hungary	USD	NTR	FMHU	<input type="checkbox"/>
EM	MSCI India	USD	NTR	FMIN	<input type="checkbox"/>
EM	MSCI Indonesia	USD	NTR	FMID	<input type="checkbox"/>
EM	MSCI Malaysia	USD	NTR	FMMY	<input type="checkbox"/>
EM	MSCI Mexico	USD	NTR	FMMX	<input type="checkbox"/>
EM	MSCI Pakistan	USD	NTR	FMPK	<input type="checkbox"/>
EM	MSCI Peru	USD	NTR	FMPE	<input type="checkbox"/>
EM	MSCI Philippines	USD	NTR	FMPH	<input type="checkbox"/>
EM	MSCI Poland	USD	NTR	FMPL	<input type="checkbox"/>
EM	MSCI Qatar	USD	NTR	FMQA	<input type="checkbox"/>
EM	MSCI Russia	USD	NTR	FMRS	<input type="checkbox"/>
EM	MSCI Russia	USD	Price	FMRU	<input type="checkbox"/>
EM	MSCI South Africa	USD	NTR	FMZA	<input type="checkbox"/>
EM	MSCI Taiwan	USD	NTR	FMTW	<input type="checkbox"/>
EM	MSCI Thailand	USD	NTR	FMTH	<input type="checkbox"/>
EM	MSCI UAE	USD	NTR	FMUA	<input type="checkbox"/>
EM	MSCI EM	USD	Price	FMEF	<input type="checkbox"/>
EM	MSCI EM	USD	NTR	FMEM	<input type="checkbox"/>
EM	MSCI EM	EUR	NTR	FMEN	<input type="checkbox"/>
EM	MSCI EM Value	USD	NTR	FMMV	<input type="checkbox"/>
EM	MSCI EM Growth	USD	NTR	FMMG	<input type="checkbox"/>
EM	MSCI EM Asia	USD	NTR	FMEA	<input type="checkbox"/>
EM	MSCI EM EMEA	USD	NTR	FMEE	<input type="checkbox"/>

Package	Futures on	Currency	Index type	Eurex code	Please tick (✓) the appropriate box
EM	MSCI EM EMEA ex Turkey	USD	NTR	FMXT	<input type="checkbox"/>
EM	MSCI EM LatAm	USD	NTR	FMEL	<input type="checkbox"/>
EM	MSCI EM LatAm ex Brazil	USD	NTR	FMXB	<input type="checkbox"/>
EM	MSCI Morocco	USD	NTR	FMMA	<input type="checkbox"/>
EM	MSCI Frontier	USD	NTR	FMFM	<input type="checkbox"/>

for the period from **14 June until 31 December 2017**.

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 Market-Making Obligations for Futures on MSCI Indices 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 50 percent of all transaction fees on M-Accounts until 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 Quote Obligations are not fulfilled.
- b) Offer a revenue sharing per individual MSCI Futures as detailed in the attachment 2 of Eurex Circular 116/16 (**DMM1**).
- c) Offer an additional revenue sharing for the Developed and Emerging Market packages of MSCI Futures (**MSCI packages**) as detailed in attachment 2 of Eurex Circular 116/16.

4. EFAG and ECAG 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 severally be entitled to terminate this Agreement without giving any reason with one 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.



## eurex clearing circular 051/17

**Date:** 7 June 2017  
**Recipients:** All Clearing Members of Eurex Clearing AG and Vendors  
**Authorized by:** Heike Eckert

<p><b><u>MSCI index derivatives: Introduction of index futures and options on MSCI EAFE</u></b></p>	
<p><b>Related Eurex circular:</b> 057/17</p> <p><b>Contact:</b> Derivatives Clearing Supervision, T +49-69-211-1 12 50, <a href="mailto:clearing@eurexclearing.com">clearing@eurexclearing.com</a>,                  Risk Control, T +49-69-211-1 24 52, <a href="mailto:risk@eurexclearing.com">risk@eurexclearing.com</a></p>	
<p><b>Content may be most important for:</b></p> <p>➡ All departments</p>	<p><b>Attachments:</b></p> <p>none</p>
<p><b><u>Summary:</u></b></p> <p>Effective <b>14 June 2017</b>, Eurex Clearing AG (Eurex Clearing) will offer clearing services for additional futures and options on MSCI EAFE-indexes introduced at Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges).</p> <p>This circular contains information on clearing of the respective products which will be introduced on 14 June 2017.</p> <p>Please refer to Eurex circular 057/17 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 the Eurex Exchanges.</p>	

## **MSCI index derivatives: Introduction of index futures and options on MSCI EAFE**

Effective 14 June 2017, Eurex Clearing AG (Eurex Clearing) will offer clearing services for additional futures and options on MSCI EAFE-indexes introduced at Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges).

This circular contains information on clearing of the respective products that will be introduced on 14 June 2017.

Please refer to Eurex circular 057/17 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 the Eurex Exchanges.

### **1. Overview**

Eurex products			Underlying instruments		
Futures	Product code	ISIN	ISIN	Bloomberg (end of day)*	Reuters (end of day)*
MSCI EAFE (USD, NTR)	FMFA	DE000A2DB9E0	XC000A2DB810	NDDUEAFE	.dMIEA00000NUS
MSCI EAFE (USD, Price)	FMFP	DE000A2DB9D2	CH0001693651	MSDUEAFE	.dMIEA00000PUS
Options					
MSCI EAFE (USD, NTR)	OMFA	DE000A2DB9G5	XC000A2DB810	NDDUEAFE	.dMIEA00000NUS
MSCI EAFE (USD, Price)	OMFP	DE000A2DB9F7	CH0001693651	MSDUEAFE	.dMIEA00000PUS

\*Under a different ID, all of these indexes are also calculated real-time. Basis for the calculation of the final settlement price, however, are the indexes listed above which are calculated once a day.

### **2. Contract specifications**

For the detailed contract specifications please refer to Eurex circular 057/17.

Underlying instrument	MSCI Indexes
<b>Description of underlying</b>	The index rules and regulations can be found on the MSCI website under <a href="http://www.msci.com">www.msci.com</a> .
<b>Contract value</b>	<p><b>Futures:</b></p> <ul style="list-style-type: none"> <li>• MSCI EAFE (USD, NTR) (FMFA) – USD 10 per index point</li> <li>• MSCI EAFE (USD, Price) (FMFP) – USD 50 per index point</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• MSCI EAFE (USD, NTR) (OMFA) – USD 10 per index point</li> <li>• MSCI EAFE (USD, Price) (OMFP) – USD 50 per index point</li> </ul>
<b>Settlement</b>	Cash settlement, due on the first exchange trading day after settlement day
<b>Price determination</b>	In points, with two decimal places

<b>Underlying instrument</b>	<b>MSCI Indexes</b>
<b>Minimum price change</b>	<p><b>Futures:</b></p> <ul style="list-style-type: none"> <li>• MSCI EAFE (USD, NTR) (FMFA) – 1 (equals USD 10.00)</li> <li>• MSCI EAFE (USD, Price) (FMFP) – 0.5 (equals USD 25.00)</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• MSCI EAFE (USD, NTR) (OMFA) – 0.1 (equals USD 1.00)</li> <li>• MSCI EAFE (USD, Price) (OMFP) – 0.1 (equals USD 5.00)</li> </ul>
<b>Contract months</b>	<p><b>Futures:</b> The next twelve quarter months of the cycle March, June, September and December (36 months)</p> <p><b>Options:</b> The three nearest successive calendar months, the three following quarterly months of the March, June, September and December cycle thereafter, and the two following semi-annual months of the June and December cycle thereafter (24 months)</p>
<b>Last trading day/ final settlement day</b>	<p>The third Friday of each maturity month, if this is a trading day at Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges), otherwise the trading day immediately preceding that day.</p> <p>Close of trading for maturing series: <b>Futures</b> 22:00 CET; <b>Options</b> 17:30 CET</p> <p>The final settlement day is the trading day following the last trading day.</p>
<b>Final settlement price</b>	Relevant for the MSCI equity index derivatives is the index closing price on the last trading day.

### 3. Product groups

The product groups assigned to the additional futures and options on MSCI EAFE-indexes are as follows:

Product	Product group	Settlement location unit	Regulatory status	Settlement type	Product type	Product segment	Product currency	Product group code					
								X	N	C	H	Q	U
USD-denominated MSCI Futures and Options	E/I Futures and Options in USD	no	not approved for trading in the U.S.	cash	F/O	Equity index	USD	X	N	C	H	Q	U

#### 4. Transaction fees and rebates

The following fees and rebates for trading and clearing apply for the additional futures and options on MSCI EAFE-indexes:

Contract	Currency	Standard fee per contract (contract number ≤ threshold value)	Reduced fee per contract (contract number > threshold value)	Threshold value A-accounts (contract number)	Threshold value P-accounts (contract number)
<b>On-exchange trades</b>					
MSCI Futures (USD denominated)	USD	0.50	n. a.	n. a.	n. a.
MSCI Options (USD denominated)	USD	0.50	0.25	3,000	2,000
<b>Off-exchange trades</b>					
MSCI Futures (USD denominated)	USD	0.75	n. a.	n. a.	n. a.
MSCI Options (USD denominated)	USD	0.50	0.25	3,000	2,000

For further information please refer to the Price List of Eurex Clearing AG available for download on the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com) under the following link:

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

#### 5. Market-Making

##### 5.1 Designated Market-Making

Effective 14 June 2017, the following measure of Eurex Clearing will come into effect:

- Introduction of the Designated Market-Making scheme for the new MSCI EAFE-index futures valid from 14 June 2017 until 31 December 2017.

The relevant conditions and details as well as the exact parameters of the Designated Market-Making including revenue sharing scheme in the respective products can be found in Eurex circular 057/17.

In order to sign up as Designated Market Maker, please send the filled-out and signed form (attachment 2 to Eurex circular 057/17) to Ralf Huesmann via fax to +49-69-211-61 54 43 or via e-mail to: [ralf.huesmann@eurexchange.com](mailto:ralf.huesmann@eurexchange.com).

##### 5.2 Permanent Market-Making

Effective 14 June 2017, the following measure of Eurex Clearing will come into effect:

- Introduction of revenue sharing scheme for the Permanent Market Maker in the new MSCI EAFE-index options valid from 14 June 2017 until 31 December 2017.

The relevant conditions and details as well as the exact parameters of the revenue sharing scheme in the respective products can be found in Eurex circular 057/17.



## 6. 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 [www.eurexclearing.com](http://www.eurexclearing.com) under the following link:

**Risk management > Risk parameters**

## 7. Trading hours (CET)

Product	Pre-trading period	Continuous Trading	Post-trading Full Period	TES Block Trading	Last trading day	
					Trading until	Exercise until
MSCI Futures	07:30 – 07:50	07:50 – 22:00	22:00 – 22:30	08:00 – 22:00	22:00	
MSCI Options	07:30 – 08:50	08:50 – 17:30	17:30 – 20:30	09:00 – 19:00	17:30	21:00

## 8. Amendment of strike price intervals in MSCI EM options

Effective 14 June 2017, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to reduce the strike price intervals of MSCI EM options (Price, USD) (Eurex code: OMEF).

Please refer to Eurex circular 057/17 for the amendment of the strike price intervals in MSCI EM options as well as the updated sections of the relevant Rules and Regulations of the Eurex Exchanges.

If you have any questions or require further information, please contact Derivatives Clearing Supervision at tel. +49-69-211-1 12 50 or send an e-mail to: [clearing@eurexclearing.com](mailto:clearing@eurexclearing.com). Alternatively, Risk Control is available at tel. +49-69-211-1 24 52 or via e-mail to: [risk@eurexclearing.com](mailto:risk@eurexclearing.com).

7 June 2017