clear to trade

eurex clearing *circular 130/16*

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Recipients: All Clearing Members of Eurex Clearing AG and Vendors
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Options on EURO STOXX® and STOXX® Europe 600 Sector Indexes: Extension and adjustment of the current Market-Making scheme and amendments to Volume Rebates in Options

Related Eurex Circular: 101/16

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Content may be most important for:	**Attachment:**
➲ All departments	Updated sections of the Price List of Eurex Clearing AG

Summary:

Effective **1 November 2016**, the following measure of Eurex Clearing for Options on EURO STOXX® and STOXX® Europe 600 sector indexes will come into effect:

- Extension of the revenue sharing programme for Market Makers until 31 December 2017

Effective **1 December 2016**, the following amendment to the Price List of Eurex Clearing AG will become effective:

- Change in the categorization and the introduction of new thresholds for volume rebates in equity index options

The relevant conditions and details as well as the exact parameters of the Market-Making scheme in the respective products can be found in Eurex circular 101/16.

Options on EURO STOXX® and STOXX® Europe 600 Sector Indexes: Extension and adjustment of the current Market-Making scheme

Effective 1 November 2016, the following measure of Eurex Clearing for Options on EURO STOXX® and STOXX® Europe 600 sector indexes will come into effect:

- Extension of the revenue sharing programme for Market Makers until 31 December 2017

Effective 1 December 2016, the following amendment to the Price List of Eurex Clearing AG will become effective:

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1. Revenue sharing

From 1 November 2016 to 31 December 2017, a maximum of ten percent of net revenues (= transaction fees minus rebates) in options contracts on the STOXX® Banks Index (OESB, Supersector 1) and a maximum of 15 percent of net revenues (= transaction fees minus rebates) in options on the remaining EURO STOXX® and STOXX® Europe 600 Sector Indexes (Supersector 1 (OSTB) and Supersectors 2 – 19) will be distributed among the four most active Market Makers on a monthly basis (please see Eurex circular 101/16).

Eurex Participants, who wish to participate in this scheme, do not have to hand in any application. Fulfilment is monitored electronically.

2. Amendments to the Price List of Eurex Clearing AG

Change in the categorization and the introduction of new thresholds for volume rebates in equity index options:

Currently, volume rebates for equity index options are granted separately for volumes in DAX Options, Euro STOXX® 50 Options, SMI Options and other equity index options (aggregated).

Due to recent volume development in banks options, a separate category for EURO STOXX® and STOXX® Europe 600 Banks Options (Product IDs: OESB, OEB1, OEB2, OEB4, OEB5, OSTB) will be established. At the same time, the volume for SMI Options will be included in “Other Equity Index Options (aggregated)”. The thresholds are adjusted as shown in the table below. Rebate levels remain unchanged.

Rebate scale	Rebates	Current categories and thresholds		New categories and thresholds	
		SMI Options	Other equity index options (aggregated)	EURO STOXX and STOXX Europe 600 Banks Options (aggregated)	Other equity index options (aggregated, incl. SMI Options)
Level 1	20%	4,001	10,001	15,001	3,001
Level 2	30%	8,001	20,001	35,001	9,001
Level 3	40%	16,001	30,001	70,001	15,001
Level 4	60%	50,001	50,001	140,001	30,001
Level 5	80%	100,001	70,001	280,001	60,001

The following provisions in the Price List will be amended, as outlined in attachment 1:

- Number 3.2.3

As of 1 December 2016, the updated Price List of Eurex Clearing will be published on the Eurex Clearing website under the following link:

Resources > Rules and Regulations > Price list

Pursuant to Number 14 Paragraph 3 of the Price List of Eurex Clearing AG, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing within ten (10) business days after publication.

27 October 2016

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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3. Transaction Fees for Derivatives Transactions (Order Book Transactions and Off-Book-Transactions on the Eurex Exchanges)

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3.2 Rebates

[…]

3.2.3 Volume Rebates

(1) With regard to payable transaction fees which originate from the matching or the registration of derivatives transactions (Trade) within the meaning of Number 3.1.1 and Number 3.1.2 that have been correctly booked on proprietary position accounts (P-Accounts) of a Clearing Member, rebates shall be granted by ECAG according to this Number if – with respect to specific product groups – the minimum number as determined in Paragraph 3 of contracts to be taken into account (transaction volume) is reached or exceeded within a calendar month.

Sentence 1 applies accordingly to payable transaction fees which originate from the matching respectively the entry of derivatives transactions within the meaning of Number 3.1.1 and Number 3.1.2 of a Non-Clearing Member and which have been correctly booked on their proprietary position accounts (P-Accounts).

In determining the transaction volume to be taken into account according to this Number, transaction volume of trades pursuant to Number 3.1.1 and Number 3.1.2 exceeding the therein defined thresholds is considered according to the following formula:

$$\sum Vol_{+} * P_{Red}/P_{S}$$

where Vol+ describes the volume of a transaction in excess of the threshold, PRed describes the reduced fee and PS the standard fee in the meaning of Number 3.1.1 and Number 3.1.2. Thus, only the portion of trade volume in excess of the threshold

is considered that is equivalent to the ratio between the reduced fee and the standard fee.

The regulations pursuant to Sentence 1 and Sentence 2 do not apply to trades which are initially entered into proprietary position accounts (P-Accounts) and are afterwards transferred to a customer account (A-Account) of a Clearing Member respectively a Non-Clearing Member.

(2) Transaction volume from transactions within the meaning of Number 3.1.1 and Number 3.1.2 which are correctly booked on M-position accounts (M-Accounts), shall be added to the transaction volume according to Paragraph 1, in case the concerned Clearing Member is not granted any rebates with regard to payable transaction fees in connection with the execution of Market Making by the Clearing Member or its Non-Clearing Members.

(3) ECAG grants rebates on payable transaction fees within the meaning of Paragraph 1 and 2, if such fee claims have arisen from transactions within one calendar month and if the minimum number of transactions per product group has been reached or exceeded. Transactions in Eurex-KOSPI-Daily-Futures-contracts and Daily Futures contracts on TAIEX Derivatives shall not be taken into account when calculating the number of contracts (transaction volume) for Equity Index Futures. The minimum transaction volume for each product group is listed in the following rebate scale:

Futures:

[…]

Options:

When calculating the minimum number of contracts to be taken into account, order book transactions pursuant to number 3.1.1 and off-book transactions pursuant to number 3.1.2 are taken into account.

Product / Product Group	**Level 1**	**Level 2**	**Level 3**	**Level 4**	**Level 5**
	Minimum number of contracts				
Equity Derivatives					
Equity Options	80,001	160,001	320,001	1,000,001	2,000,001
Equity Index Derivatives					
DAX-Options	40,001	80,001	160,001	500,001	1,000,001
Euro STOXX 50 Options	80,001	160,001	320,001	1,000,001	2,000,001
~~SMI-Options~~	~~4,001~~	~~8,001~~	~~16,001~~	~~50,001~~	~~100,001~~
EURO STOXX and	15,001	35,001	70,001	140,001	280,001

Product / Product Group	Level 1	Level 2	Level 3	Level 4	Level 5
	Minimum number of contracts				
STOXX Europe 600 Banks Options (aggregated)					
Other Equity Index Options (aggregated)	~~1~~03,001	~~2~~09,001	~~30~~15,001	~~50~~30,001	~~70~~60,001
Interest Rate Derivatives					
[…]					

(4) The amount of the granted rebates on transaction fees pursuant to Number 3.2.2 Paragraphs 1 and 2 is determined on basis of the payable transaction fees for the matching of transactions per product group within a calendar month: rebates are granted on a pro-rata basis as soon as the levels of the rebate scale determined in Paragraph 3 are equalled or exceeded. Such rebates are only granted on the number of transactions within the respective level of each of the rebate scales.

Futures:

[…]

Options:

Fees pursuant to Number 3.1.1 and 3.1.2 are rebated.

Rebate scale	Rebate
Level 1	20%
Level 2	30%
Level 3	40%
Level 4	60%
Level 5	80%

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