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EURIBOR-Optionen: Einführung eines Market-Making-Programms und weiterer Anreiz- und Erlösbeteiligungsprogramme

Verweis auf Eurex-Rundschriften: 147/10

Verweis auf Eurex Clearing-Rundschriften: 077/14

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Zielgruppe:

Ü Alle Abteilungen

Anhänge:

nur in englischer Sprache:

1. Market Maker Application Form
2. Market Maker Quote Obligations and Incentives

Zusammenfassung:

Einführung eines neuen Market-Making-Programms in EURIBOR-Optionen und EURIBOR-Mid-Curve-Optionen:

Die Geschäftsführung der Eurex Deutschland und die Geschäftsleitung der Eurex Zürich AG haben beschlossen, ein neues Market-Making-Programm für EURIBOR-Optionen (OEU3) und EURIBOR-Mid-Curve-Optionen (OEM1, OEM2, OEM3, OEM4) einzuführen. Das Market-Making-Programm läuft vom **1. Juli 2014 bis zum 31. Dezember 2015**. Damit soll die Liquidität im Orderbuch und im Telefon-Market-Making sichergestellt und weiter verbessert werden.

Einführung einer langfristigen Erlösbeteiligung für EURIBOR Options Market Maker in EURIBOR-Optionen, EURIBOR-Mid-Curve-Optionen und EURIBOR-Futures:

EURIBOR Options Market Maker, die ihre Verpflichtungen erfüllen, haben die Möglichkeit, an einem langfristigen Erlösbeteiligungsprogramm in EURIBOR-Optionen (OEU3), EURIBOR-Mid-Curve Optionen (OEM1, OEM2, OEM3, OEM4) und EURIBOR-Futures (FEU3) zu partizipieren. Sämtliche Erlösbeteiligungsprogramme laufen vom **1. Juli 2014 bis zum 31. Dezember 2019**.

Einführung eines Volumenrabattmodells für EURIBOR Options Market Maker in EURIBOR-Optionen und EURIBOR-Mid-Curve-Optionen:

Für den Zeitraum vom **1. Juli 2014 bis zum 31. Dezember 2015** bietet Eurex Exchange ein Volumenrabattprogramm für Market Maker in EURIBOR-Optionen (OEU3) und EURIBOR-Mid-Curve-Optionen (OEM1, OEM2, OEM3, OEM4) an.



EURIBOR-Optionen: Einführung eines Market-Making-Programms und weiterer Anreiz- und Erlösbeteiligungsprogramme

1. Einführung eines neuen Market-Making-Programms in EURIBOR-Optionen und EURIBOR-Mid-Curve-Optionen

Die Geschäftsführung der Eurex Deutschland und die Geschäftsleitung der Eurex Zürich AG haben beschlossen, ein Market-Making-Programm für EURIBOR-Optionen (OEU3), ein- und zweijährige EURIBOR-Mid-Curve-Optionen (OEM1, OEM2) und drei- und vierjährige EURIBOR-Mid-Curve-Optionen (OEM3, OEM4) einzuführen. Die drei Market-Making-Programme laufen vom 1. Juli 2014 bis zum 31. Dezember 2015. Damit soll die Liquidität im Orderbuch und im Telefon-Market-Making sichergestellt und weiter verbessert werden.

Als Market Maker erklärt sich der Eurex-Teilnehmer bereit, für eine spezifizierte Mindestanzahl von Kontrakten unter Einhaltung von Maximum Spreads und im Rahmen einer festgelegten Zeitdauer Geld- und Briefkurse (Quotes) zu stellen. Für die drei Market-Making-Programme bietet Eurex Exchange sowohl die Möglichkeit eines „Quotation on Request“ Market-Making als auch die eines „Permanent“ Market-Making an. Im Rahmen des „Quotation on Request“ Market-Making besteht die Wahlmöglichkeit zwischen Orderbuch- und Telefon-Quotierung, beim „Permanent“ Market-Making ist eine Orderbuch-Quotierung obligatorisch.

Market Maker die ihre Verpflichtungen erfüllen, erhalten im Gegenzug eine Reduzierung von 80 bis 95 Prozent der Handels- und Clearing-Entgelte für die auf M-Konten abgeschlossenen Kontrakte. Die genauen Quotierungsverpflichtungen und Rabatte entnehmen Sie bitte dem Anhang 2 dieses Rundschreibens.

2. Einführung einer langfristigen Erlösbeteiligung für EURIBOR Options Market Maker in EURIBOR-Optionen und EURIBOR-Mid-Curve-Optionen

Market Maker in EURIBOR-Optionen (OEU3) und in ein- und zweijährigen EURIBOR-Mid-Curve-Optionen (OEM1, OEM2), die ihre Verpflichtungen erfüllen, haben die Möglichkeit, an einem langfristigen Erlösbeteiligungsprogramm in EURIBOR-Optionen (OEU3) beziehungsweise EURIBOR-Mid-Curve-Optionen (OEM1, OEM2, OEM3, OEM4) zu partizipieren. Die Erlösbeteiligungsprogramme laufen vom 1. Juli 2014 bis zum 31. Dezember 2019.

Die Erlösbeteiligungsprogramme in EURIBOR-Optionen (OEU3) und EURIBOR-Mid-Curve-Optionen (OEM1, OEM2, OEM3, OEM4) sind jeweils auf maximal zehn Market Maker beschränkt. Die gesamte Erlösbeteiligung orientiert sich an den Nettoerlösen der Eurex Exchange in EURIBOR-Optionen (OEU3) bzw. EURIBOR-Mid-Curve-Optionen (OEM1, OEM2, OEM3, OEM4) und startet am 01. Juli 2014 mit einem Prozentsatz von 100 Prozent und reduziert sich bis ins Jahr 2019 auf 30 Prozent. Jeweils 30 Prozent der jährlichen Erlösbeteiligung werden zwischen den qualifizierten Market Makern zu gleichen Teilen verteilt. Die anderen 70 Prozent werden anhand des auf dem M-Konto des qualifizierten Market Maker im jeweiligen Jahr gehandelten Volumens verteilt. Die Details zu den Erlösbeteiligungsprogrammen entnehmen Sie bitte Anhang 2 dieses Rundschreibens.

3. Einführung einer langfristigen Erlösbeteiligung für EURIBOR Options Market Maker in EURIBOR-Futures

Market Maker in EURIBOR-Optionen (OEU3) und ein- und zweijährigen EURIBOR-Mid-Curve-Optionen (OEM1, OEM2), die ihre Verpflichtungen erfüllen, haben die Möglichkeit, an einem langfristigen Erlösbeteiligungsprogramm in EURIBOR-Futures (FEU3) zu partizipieren. Das Erlösbeteiligungsprogramm läuft vom 1. Juli 2014 bis zum 31. Dezember 2019.

Das Erlösbeteiligungsprogramm in EURIBOR-Futures (FEU3) ist auf maximal fünf Market Maker beschränkt. Die gesamte Erlösbeteiligung orientiert sich an den Nettoerlösen der Eurex Exchange in EURIBOR-Futures (FEU3) und startet am 1. Juli 2014 mit einem Prozentsatz von 20 Prozent und reduziert sich bis ins Jahr 2019 auf sechs Prozent. Jeweils die Hälfte der Erlösbeteiligung wird zwischen den qualifizierten Market Makern zu

gleichen Teilen verteilt, die andere Hälfte anhand des auf dem M-Konto des qualifizierten Market Maker im jeweiligen Jahr gehandelten Volumens. Die Details zu den Erlösbeteiligungsprogrammen entnehmen Sie bitte Anhang 2 dieses Rundschreibens.

4. Einführung eines Volumenrabattmodells für EURIBOR Options Market Maker in EURIBOR-Optionen

Eurex Exchange bietet darüber hinaus für den Zeitraum vom 1. Juli 2014 bis zum 31. Dezember 2015 ein Volumenrabattprogramm für Market Maker in EURIBOR-Optionen (OEU3) und EURIBOR Mid-Curve-Optionen (OEM1, OEM2, OEM3, OEM4) an. Market Maker, die ihre Quotierungsverpflichtungen in EURIBOR-Optionen (OEU3) und ein- und zweijährigen EURIBOR Mid-Curve Optionen (OEM1, OEM2) erfüllen, haben die Möglichkeit, in sämtlichen EURIBOR-Optionsprodukten (OEU3, OEM1, OEM2, OEM3 und OEM4) von weiteren Volumenrabatten in auf M- und P-Konten gehandelten Kontrakten zu profitieren. Die genaue Ausgestaltung des Programms entnehmen Sie bitte dem Anhang 2 dieses Rundschreibens.

Um an den Market-Making-Programmen als auch an der Erlösbeteiligungsprogrammen und Volumenrabatten zu partizipieren, ist eine Registrierung der Teilnehmer zwingend erforderlich. An der Teilnahme interessierte Mitglieder bitten wir daher, den beigefügten Market Maker-Antrag (Anhang 1) auszufüllen und bis spätestens 30. Juni 2014 an Joachim Heinz an die Faxnummer +49-69-211-61 59 55 oder die E-Mail-Adresse: joachim.heinz@eurexexchange.com zurück zu senden.

13. Juni 2014



Application Form - Market Making Scheme EURIBOR Options and EURIBOR Mid-Curve Options

To Eurex Product Development

Joachim Heinz
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65670 Eschborn

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

Application for the Status of Market Maker in EURIBOR Options and EURIBOR Mid-Curve Options

1. We _____
(name of member)

herewith apply for the status of Market Maker in the following contracts (please tick)

Quotation on Request / Permanent MM

EURIBOR Options (OEU3):	<input type="checkbox"/>	<input type="checkbox"/>
1-2 year EURIBOR Mid-Curve Options (OEM1, OEM2):	<input type="checkbox"/>	<input type="checkbox"/>
3-4 year EURIBOR Mid-Curve Options (OEM3, OEM4)	<input type="checkbox"/>	<input type="checkbox"/>

for the period from **July 1, 2014 until December 31, 2015 (Market Making & Volume Incentives)** and from **July 1, 2014 until December 31, 2019 (Revenue Sharing in EURIBOR Options, EURIBOR Mid-Curve Options, EURIBOR Futures)** in accordance with the terms and conditions stated in the Quote Obligations and Incentives (attachment 2).

2. As a 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
 - answer at least 70 percent of all quote requests on a monthly average, but only up to a maximum of 30 quote requests per day
 - In case of "Permanent MM", the measurement of "Quotation on Request" will be included by default.
 - support Eurex with theoretical options prices and to assist Eurex with settlement prices and intra-day modelling



- 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 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 fulfill these obligations.
3. Eurex will in return
- a) – if desired - mention the name of the Eurex member with the 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 Market Makers regarding the fixed income futures; and
 - c) upon fulfillment, refund 80% to 95% of the standard trading and clearing fees for the contracts traded by the Market Makers on Market Maker (M) - accounts and pay the incentives from July 1, 2014 up to December 31, 2015 as stated in the quote obligations and incentives in attachment 2
 - d) offer an additional volume incentive scheme. Market Makers who fulfilled the quote obligations in EURIBOR Options can participate in an additional volume incentive scheme and further reduce their trading fees from July 1, 2014 until December 31, 2015 as stated in the quote obligations and incentives in attachment 2
 - e) offer a long-term revenue sharing of net-revenues in EURIBOR Options (OEU3). Market Makers who fulfilled the quote obligations in EURIBOR Options (OEU3) can participate in a long-term revenue sharing of net-revenues in EURIBOR Options (OEU3) from July 1, 2014 until December 31, 2019 as stated in the quote obligations and incentives in attachment 2
 - f) offer a long-term revenue sharing of net-revenues in 1-4 year EURIBOR Mid-Curve Options (OEM1, OEM2, OEM3, OEM4). Market Makers who fulfilled the quote obligations in 1-2 year EURIBOR Mid-Curve Options (OEM1, OEM2) can participate in a long-term revenue sharing of net-revenues in 1-4 year EURIBOR Mid-Curve Options from July 1, 2014 until December 31, 2019 as stated in the quote obligations and incentives in attachment 2
 - g) offer a long-term revenue sharing of net-revenues in EURIBOR Futures (FEU3). Market Makers who fulfilled the quote obligations in EURIBOR Options (OEU3) or 1-2 year EURIBOR Mid-Curve Options (OEM1, OEM2) can participate in a long-term revenue sharing of Net-Revenues in EURIBOR Futures (FEU3) from July 1, 2014 until December 31, 2019 as stated in the quote obligations and incentives in attachment 2



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 Market Maker status, which expires on December 31, 2015 (for long-term revenue sharing programs on December 31, 2019). After that time, the title "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 latest by June 30th, 2014.

Quote Obligations for Market Making “Quotation on Request” and “Permanent Market Making” in EURIBOR Options, 1+2 year EURIBOR Mid-Curve Options and 3+4 year EURIBOR Mid-Curve Options:

Product	"Quotation on Request"	"Permanent Market Making"
EURIBOR Options	<ul style="list-style-type: none"> each Market Maker has the choice to quote on-screen or over the phone 	<ul style="list-style-type: none"> each Market Maker has to quote on-screen
1+2 year EURIBOR Mid-Curve Options	<ul style="list-style-type: none"> max. fee reduction from 0.20 EUR to 0.04 EUR 	<ul style="list-style-type: none"> max. fee reduction from 0.20 EUR to 0.02/0.01 EUR
3+4 year EURIBOR Mid-Curve Options	<ul style="list-style-type: none"> measurement subject to minimum volume threshold of 2000 lots (500 lots for 3+4y Mid-Curve Options) 	<ul style="list-style-type: none"> measurement subject to on-screen fulfilment

Response to Quote Request	The following quotation on request obligations are valid for all incoming quote requests in all option series (Calls and Puts): At least 70 percent of all quote requests have to be answered on a monthly average, but only up to a maximum of 30 quote requests per day: - within one minute / with a minimum holding time of ten seconds
Quotation Requirements	MM will be obliged to quote 6 calls and puts out of a strike price window of 14 strikes. For each call and put 7 strikes (1 at the money and 3 in- and out-of the money) will be monitored.
Fast Market	In Fast Market (definition and announcement by the Exchange) maximum spreads will be increased by 100 percent and the minimum quote size will be reduced by 50 percent.
Exchange Support	Each Market Maker will be required to support Eurex with theoretical options prices to assist Eurex with settlement prices and intra-day modelling.

* Rebates apply for the entire member-firm market making volume (on the M-accounts).

The Market Making scheme starts on July 1, 2014 and ends on December 31, 2015. The Market Making obligations are subject to review by the end of 2014.

Quote Obligations and incentives for Market Making in EURIBOR Options (OEU3):

QUOTE OBLIGATIONS				INCENTIVES	
Months	Expiries	Minimum Quotation Size	Quotation Time	Incentives "Quotation on Request"	Incentives "Permanent Market Making "
White Months	4 quarterly expiries	500 symmetrical	80% of the trading day (8:00 a.m. - 07:00 p.m.CET)	0.04 EUR subject to a minimum volume of 2,000 contracts per month	0.02 EUR
Red Months	4 quarterly expiries	250 symmetrical	80% of the trading day (8:00 a.m. - 07:00 p.m.CET)		
White Months	first 2 serial expiries	250 symmetrical	80% of the trading day (8:00 a.m. - 07:00 p.m.CET)		

Maximum Spreads

Bid prices up to	Maximum Spread (first three expiry months)	Maximum Spread (all other quarterly expiry months)	Maximum spread five trading days prior to expiration
0.09	0.02	0.03	0.03
0.29	0.02	0.04	0.03
1.00	0.03	0.06	0.04
999.99	0.04	0.08	0.04

The Market Making scheme starts on July 1, 2014 and ends on December 31, 2015. The Market Making obligations are subject to review by the end of 2014.

Quote Obligations and incentives for Market Making in 1-2 year EURIBOR Mid-Curve Options (OEM1, OEM2):

OBLIGATIONS				INCENTIVES	
Months	Expiries	Minimum Quotation Size	Quotation Time	Incentives "Quotation on Request"	Incentives "Permanent Market Making"
Red/Green-Month Mid-Curve's	1.+2. quarterly expiry	500 symmetrical	80% of the trading day (8:00 a.m. - 07:00 p.m.CET)	0.04 EUR subject to a minimum volume of 2,000 contracts per month	0.02 EUR
Red/Green-Month Mid-Curve's	3.+4. quarterly expiry	200 symmetrical	80% of the trading day (8:00 a.m. - 07:00 p.m.CET)		
Red/Green-Month Mid-Curve's	1.+2. serial expiry	200 symmetrical	80% of the trading day (8:00 a.m. - 07:00 p.m.CET)		

Maximum Spreads

Bid prices up to	Maximum Spread (first three expiry months)	Maximum Spread (all other quarterly expiry months)	Maximum spread five trading days prior to expiration
0.09	0.03	0.06	0.06
0.29	0.04	0.08	0.06
1.00	0.06	0.12	0.08
999.99	0.08	0.16	0.08

The Market Making scheme starts on July 1, 2014 and ends on December 31, 2015. The Market Making obligations are subject to review by the end of 2014.

Quote Obligations and incentives for Market Making in 3-4 year EURIBOR Mid-Curve Options (OEM3, OEM4)

OBLIGATIONS				INCENTIVES	
Months	Expiries	Minimum Quotation Size	Quotation Time	Incentives "Quotation on Request"	Incentives "Permanent Market Making "
Blue/Gold-Month Mid-Curve's	1.+2. quarterly expiry	100 symmetrical	60% of the trading day (8:00 a.m. - 07:00 p.m.CET)	0.03 EUR subject to a minimum volume of 500 contracts per month	0.01 EUR
Blue/Gold-Month Mid-Curve's	3.+4. quarterly expiry	50 symmetrical	60% of the trading day (8:00 a.m. - 07:00 p.m.CET)		
Blue/Gold-Month Mid-Curve's	1.+2. serial expiry	50 symmetrical	60% of the trading day (8:00 a.m. - 07:00 p.m.CET)		

*Market Making in 4y EURIBOR Mid-Curve Options on voluntary basis. Incentives subject to fulfilment in 3y EURIBOR Mid-Curve Options

Maximum Spreads

Bid prices up to	Maximum Spread (first three expiry months)	Maximum Spread (all other quarterly expiry months)	Maximum spread five trading days prior to expiration
0.09	0.03	0.06	0.06
0.29	0.05	0.10	0.10
1.00	0.08	0.16	0.16
999.99	0.10	0.20	0.20

The Market Making scheme starts on July 1, 2014 and ends on December 31, 2015. The Market Making obligations are subject to review by the end of 2014.

Additional Monthly Volume Incentive 2014 and 2015 for Market Maker in EURIBOR Options:

Monthly Volume (Traded Contracts)		Reduced Exchange Fee (Standard Fee: 0.20 €incl. Clearing)	Fee Reduction in % of Standard Fee
1	200,000	€ 0.04	80%
200,001	400,000	€ 0.03	85%
400,001	800,000	€ 0.02	90%
> 800,001		€ 0.01	95%

Conditions	
	Valid for volumes traded on- or off-order book on M- and P-Account
	Further volume incentive for market makers, provided that the market maker fulfilled his quote obligations.
	Market Makers will be eligible for the reduced fees. Measurement is only possible on NCM-Level and per single Member-ID.
	The initial bill will be calculated on the basis of standard fees and will be refunded through the clearer.
	In case a customer or exchange participant participates in the program, the corresponding clearer or NCM is responsible for refunding fees received by the exchange.
	Additional volume rebates apply to all volumes traded.
	Market Makers have to register and inform the exchange if they want to participate in the programm.

The additional volume scheme in EURIBOR Options includes EURIBOR Options (OEU3) and EURIBOR Mid-Curve Options (OEM1-4). The scheme is valid between July 1, 2014 to December 31, 2015. The Market Making obligations are subject to review by the end of 2014.

Revenue Sharing in EURIBOR Options and EURIBOR Mid-Curve Options for Market Maker in EURIBOR Options and EURIBOR Mid-Curve Options:

Year	EURIBOR Options (OEU3)	EURIBOR Mid-Curve Options (OEM1-4)
2014	100%	100%
2015	70%	70%
2016	50%	50%
2017	30%	30%
2018	30%	30%
2019	30%	30%

Revenue Sharing	in % of Eurex Net-Revenues in the respective product per year, provided that the market maker has fulfilled their quoting obligations.
	The Revenue Sharing in EURIBOR Options (OEU3) is based on the sum of Eurex Net-Revenues in EURIBOR Options.
	The Revenue Sharing in EURIBOR Mid-Curve Options (OEM1-4) is based on the sum of Eurex Net-Revenues in all EURIBOR Mid-Curve Options.
	The Revenue Sharing for both schemes is split between the Top 10 market makers. 30% of the Revenue Sharing is distributed equally between the TOP 10 market makers for each year and 70% is distributed due to their share on M-Account in the respective year and provided that they fulfilled their quoting obligations.

The revenue sharing programs in EURIBOR Options and EURIBOR Mid-Curve Options are valid between July 1, 2014 to December 31, 2019, The Market Making obligations are subject to a semi-annual review.

Revenue Sharing in EURIBOR Futures for Market Maker in EURIBOR Options:

Revenue Sharing in EURIBOR Futures (FEU3) for Options Market Maker

Year	"X"% Revenue Sharing in EURIBOR Futures (FEU3) for Market Making in EURIBOR Options
2014	X = 20%
2015	X = 20%
2016	X = 14%
2017	X = 6%
2018	X = 6%
2019	X = 6%

Pool for Options Market Maker	"X"% of Eurex Net-Revenues in EURIBOR Futures (FEU3) are shared for market making in EURIBOR Options in the respective product per year, provided that the market maker has fulfilled their quoting obligations in EURIBOR Options (OEU3 or OEM1-2) and traded at least an average of 2,000 lots per calendar month in EURIBOR Futures.
	The revenue sharing is split between the Top 5 options market makers and distributed equally for each year, provided that they fulfilled the obligations. In case if there are more than 5 qualified options market makers, the Top 5 are determined by their ranking in terms of volumes on the M- and P-Account in EURIBOR Futures.

The revenue sharing program starts on July 1, 2014 and ends on December 31, 2019. The Market Making obligations are subject to a semi-annual review.