X-pand into the Future

eurex circular 131/16

Date: 20 December 2016
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

Futures on the indices ATX®, ATX® five, CECE® EUR and RDX® EUR: Extension of Designated Market-Making scheme

Related Eurex Circular: 221/15

Related Eurex Clearing Circular: 145/15

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Content may be most important for:

➲ All departments

Attachments:

1. Designated Market-Making scheme for ATX®, ATX® five, CECE® EUR and RDX® EUR Index Futures - Quote Obligations
2. Designated Market Maker Agreement for ATX®, ATX® five, CECE® EUR and RDX® EUR Index Futures

Summary:

In order to further promote trading activities, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided the following effective **1 January 2017**:

- Extension of the Designated Market-Making scheme in futures on the indices ATX®, ATX® five, CECE® EUR and RDX® EUR by twelve months, i.e. for the period from **1 January 2017 to 31 December 2017**.
- The quotation requirements for Designated Market Makers in these index futures remain unchanged (see attachment 1).

In return, Designated Market Makers shall receive a rebate of the transaction fees for transactions in futures on the indices ATX®, ATX® five, CECE® EUR and RDX® EUR concluded on M-accounts until 31 December 2017:

- 70 percent (currently 80 percent) for order book transactions
- 40 percent (currently 50 percent) for Off-Book transactions

The refund will be paid monthly if Designated Market Maker obligations have been fulfilled.

Information about the related decisions to be passed by Eurex Clearing AG will be published in a separate Eurex Clearing circular at a later date. Thus the new scheme is subject to the corresponding decisions by Eurex Clearing AG.

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Futures on the indices ATX®, ATX® five, CECE® EUR and RDX® EUR: Extension of Designated Market-Making scheme

In order to further promote trading activities, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided the following effective 1 January 2017:

- Extension of the Designated Market-Making scheme in futures on the indices ATX®, ATX® five, CECE® EUR and RDX® EUR index by twelve months, i.e. for the period from 1 January 2017 to 31 December 2017
- The quotation requirements for Designated Market-Making in these index futures remain unchanged (see attachment 1)

In return, Designated Market Makers shall receive a rebate of the transaction fees for transactions in futures on the indices ATX®, ATX® five, CECE® EUR and RDX® EUR concluded on M-accounts until 31 December 2017:

- 70 percent (currently 80 percent) for order book transactions
- 40 percent (currently 50 percent) for Off-Book transactions

The refund will be paid monthly if Designated Market Maker obligations have been fulfilled.

Information about the related decisions to be passed by Eurex Clearing AG will be published in a separate Eurex Clearing circular at a later date. Thus the new scheme is subject to the corresponding decisions by Eurex Clearing AG.

Designated Market-Making in ATX®, ATX® five, CECE® EUR and RDX® EUR index futures

As Designated Market Makers, Eurex Participants supply bid and ask prices (quotes) for a determined minimum number of contracts during a fixed period of time in compliance with maximum spreads.

If the Designated Market Maker fulfils its obligations, Eurex Exchange will in return reimburse 70 percent (currently 80 percent) of the transaction fees for order book transactions and 40 percent (currently 50 percent) of the transaction fees for Off-Book transactions for trades in futures on the indices ATX®, ATX® five, CECE® EUR and RDX® EUR concluded on M-accounts by Designated Market-Makers.

Participants interested in Designated Market-Making are requested to fill in the attached application (attachment 2) and return it to Tobias Ehinger, Product R&D Equity and Index, via e-mail to tobias.ehinger@eurexchange.com, or via fax to +49-69-211-1 44 61.

20 December 2016

Designated Market-Making scheme for Index Futures on the ATX®, ATX® five, CECE® EUR and RDX® EUR Index

1. Overview

In order to promote liquidity in futures on the ATX®, ATX® five, CECE® EUR or RDX® EUR Index the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to offer a Designated Market-Making scheme (futures). The Designated Market-Making scheme will run until 31 December 2017.

2. Market-Making

As Designated Market Makers (DMMs), Trading Participants of Eurex Deutschland and Eurex Zürich AG (collectively the Eurex Exchanges) undertake to supply bid and ask prices (quotes) for a determined minimum number of contracts during a fixed period of time in compliance with maximum spreads. If the DMM obligations are fulfilled, the DMM will in return receive a rebate of 70 percent on order book and 40 percent on off-book transaction fees for transactions in futures on the ATX®, ATX® five, CECE® EUR or RDX® EUR Index on the M-account until 31 December 2017.

The DMM quotation requirements are as follows:

	ATX®	ATX® five	CECE® EUR	RDX® EUR
Eurex Code	FATX	FATF	FCEE	FRDE
Minimum Size	10 contracts	10 contracts	10 contracts	50 contracts
Maximum Spread	0.75%	0.75%	1.00%	1.00%
Minimum quote duration in % of the quotation period	80%	80%	80%	90%
Expirations to be quoted	Quotation is required in the series with the two nearest expirations (up to six months)			
Quotation period (CET)	09:00 – 17:30	09:00 – 17:30	09:00 – 17:10	09:00 – 16:30

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

The quote obligations can be amended on a monthly basis subject to Number 7 of the Agreement.

Attachment 2 to Eurex Circular 131/16

Please return by e-mail or fax to:

tobias.ehinger@eurexchange.com
Fax no. +49-69-211- 1 44 61

Designated Market Maker Agreement for Futures on the ATX®, ATX® five, CECE® EUR and RDX® EUR Index

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") for the period from **1 January until 31 December 2017** under the conditions outlined below with respect to the following products (please either tick for full packages or for individual futures):

Futures on the	**Eurex code**		**Please tick (√) the appropriate box**
ATX® Index	FATX		☐
ATX® five Index	FATF		☐
CECE® EUR Index	FCEE		☐
RDX® EUR Index	FRDE		☐

2. The Participant shall

   a) Fulfil the Market-Making Scheme for the in Number 1 defined Index Futures as set out in attachment 1 to Eurex circular 131/16, as amended by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich and as agreed upon by the Designated Market Makers from time to time ("Eurex Market-Making Obligations") and published via Eurex circular. The current Eurex Market-Making Obligations for in Number 1 defined Index Futures were published in Eurex circular 131/16.

   b) 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.

3. ECAG shall refund 70 percent of all transaction fees (order book on Eurex Exchanges) and 40 percent of all transaction fees (off-book-transactions via the Trade Entry Services of ECAG) for the in Number 1 defined Index Futures traded by the Designated Market Makers on M-accounts in these products up to and including 31 December 2017. Refunds will be paid in full only if the Eurex Market-Making Obligations have been fulfilled in the month prior to the

month in which they are payable. No refunds will be made for contracts traded on A- or P-accounts.

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 requirements stipulated in the Eurex Market-Making Obligations.

   b) The Participant does not comply with any other of its obligations stated under Number 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 product(s).

   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 (1) 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.