X-pand into the Future

eurex circular 034/11

Date: February 9, 2011

Sender: 1. Eurex Deutschland and Eurex Zürich
2. Eurex Clearing AG

Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors, all Clearing-Members of Eurex Clearing AG and Vendors

Authorized by: Peter Reitz

High priority

Single Stock Dividend Futures: Introduction of British Single Stock Dividend Futures

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Content may be most important for:

➲ All departments

Attachments:

Updated sections of the following rules and regulations:

Eurex Deutschland and Eurex Zürich

1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Eurex Clearing AG

2. Price List for Eurex Clearing AG
3. Clearing Conditions for Eurex Clearing AG
4. Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

Summary:

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG passed the following decisions which will become effective on **February 24, 2011**:

1. Introduction of 13 Single Stock Dividend Futures Contracts (SSDFs) on dividends of British shares
2. Introduction of a Designated Market Maker Scheme with respect to British SSDFs.

Single Stock Dividend Futures: Introduction of British Single Stock Dividend Futures

1. Introduction Date

The introduction of the new products will take place on February 24, 2011.

Eurex Deutschland and Eurex Zürich

To implement these decisions, Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be amended as specified in attachment 1 with effect from February 24, 2011.

Eurex Clearing AG

To implement the decisions of the Management Boards of the Eurex Exchanges, Eurex Clearing AG will adjust the Price List for Eurex Clearing AG (attachment 2) and the Clearing Conditions for Eurex Clearing AG (attachment 3) with regard to the clearing services it offers and the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation - attachment 4). These changes will also become effective on February 24, 2011.

2. Contract Specifications and Product Parameters

The following table contains all essential product parameters of the new SSDFs on dividends of British shares:

Futures Contracts on the Dividends of Shares ("Single Stock Dividend Futures") on	Eurex Product Code	Eurex Product-ISIN	Group ID	Contract Size	Minimum Price Change	Product Currency*
Barclays PLC (ISIN:GB0031348658)	B2AR	DE000A1KD0Q3	GB21	1000	0.01	GBX
BP PLC (ISIN:GB0007980591)	B2P	DE000A1KD0N0	GB21	1000	0.01	GBX
BT Group PLC (ISIN:GB0030913577)	B2T	DE000A1KD0S9	GB21	1000	0.01	GBX
Diageo PLC (ISIN:GB0002374006)	D2GE	DE000A1KD0L4	GB21	1000	0.01	GBX
GlaxoSmithkline PLC (ISIN:GB0009252882)	G2SK	DE000A1KD0K6	GB21	1000	0.01	GBX
Rio Tinto PLC (ISIN:GB0007188757)	R2TZ	DE000A1KD0P5	GB21	1000	0.01	GBX
Tesco PLC (ISIN:GB0008847096)	T2SC	DE000A1KD0R1	GB21	1000	0.01	GBX
Vodafone Group PLC (ISIN:GB00B16GWD56)	V2O	DE000A1KD0M2	GB21	1000	0.01	GBX
Anglo American PLC (ISIN:GB00B1XZS820)	A2AL	DE000A1KD0H2	GB22	1000	0.001	USD
AstraZeneca PLC (ISIN:GB0009895292)	A2ZN	DE000A1KD0J8	GB22	1000	0.001	USD
BHP Billiton PLC (ISIN:GB0000566504)	B2LT	DE000A1KD0G4	GB22	1000	0.001	USD
HSBC Holdings PLC (ISIN:GB0005405286)	H2SB	DE000A1KD0F6	GB22	1000	0.001	USD

Futures Contracts on the Dividends of Shares ("Single Stock Dividend Futures") on	Eurex Product Code	Eurex Product-ISIN	Group ID	Contract Size	Minimum Price Change	Product Currency*
Royal Dutch Shell PLC - A shares (ISIN:GB00B03MLX29)	R2DA	DE000A1KD0E9	GB23	1000	0.001	EUR

*GBX: Pence Sterling

The outline specifications of the British Single Stock Dividend Futures are as follows:

Contract value	Contract value are the dividends of 1,000 underlying shares (i.e. 1,000 x gross dividend per share), in GBX (Pence Sterling), EUR or USD.
Settlement	Contracts are cash-settled, all amounts payable on the first exchange trading day following the final settlement day.
Price quotation and minimum price change	Price quotation is in GBX (Pence Sterling) with two decimal places and in EUR or USD with three decimal places. The Minimum Price Change for GBX is 0.01; for EUR or USD it is 0.001.
Contract years & reference period	The five nearest successive annual contracts of the December cycle. Each contract expiration will cover the annual dividend period up to and including the final settlement date; consequently, the annual dividend period will start on the day following the final settlement date of the preceding year. Each dividend will be determined as paid on the date that is declared ex-date by the underlying cash market exchange. All dividends determined as paid by the underlying cash market exchange within the contract period will be added to determine the final settlement price. If the declared value differs from the one actually paid, the actual value paid will be used for determination of the final settlement price.
Final settlement price **Final settlement day**	The Final Settlement Price is established by Eurex on the Final Settlement Day at 12:00 CET, in accordance with the dividend for the respective company's business year. The final settlement prices will be rounded to four decimal places. The final settlement day of the Single Stock Dividend Futures contracts shall be the third Friday of the respective December, provided that day is an exchange day; otherwise the trading day preceding that Friday shall be the final settlement day.

The detailed product parameters will be available on the Eurex website under the following path as of start of trading:

www.eurexchange.com > Trading > Products > Dividend Derivatives > Single Stock Dividend Futures

For easier access, please click on the following link:
http://www.eurexchange.com/trading/products/DID/EDF/products_en.html

3. Risk Parameters

Risk parameters will be published on the Eurex website under the path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters & Initial Margins

For easier access, please click on the following link:
http://www.eurexchange.com/clearing/risk/parameters_en.html

4. Trading Hours (all times CET)

Trading hours of British Single Stock Dividend Futures are as follows:

Pre-Trading Period	Continuous Trading	Post-Trading Full Period	OTC Block-Trading	Last Trading Day
07:30-08:30	08:30-17:30	17:30-20:30	08:30-18:30	12:00

5. Mistrade Ranges

Mistrade Ranges for the new British SSDFs will be published on the Eurex website as of the relevant trading date under the following path:

www.eurexchange.com > Trading > Products > Dividend Derivatives > Single Stock Dividend Futures

For easier access, please click on the following link:
http://www.eurexchange.com/trading/products/DID/EDF/products_en.html

6. Market-Making

Eurex enables interested Members to be Designated Market Makers for the new British Single Stock Dividend Futures contracts. Designated Market Makers will ensure ongoing liquidity by providing quotes on the bid and ask side, subject to maximum spreads, for a specified minimum number of contracts in a defined number of the introduced products.

In addition, Designated Market Makers will undertake other obligations as to the efficient operation of the market by providing price information, such as daily price information, and be available for additional price verification at times as requested by Eurex.

In return, Eurex will grant its Designated Market Makers reimbursement of up to 50 percent of transaction fees for all transactions executed in the M-account up to and including December 31, 2012. Full scheme obligations and information about how to apply them will be released in due time prior to contract launch.

7. Data Vendor Codes

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

www.eurexchange.com > Trading > Products > Vendor Product Code Search

For easier access, please click on the following link:
http://www.eurexchange.com/trading/products/vendor_product_code_search_en.html

8. Transaction Limits, Minimum Size for Cross- and Pre-arranged Trades

The same values apply as for the already existing SSDFs.

9. Transaction Fees

Transaction fees are determined by the relevant group ID above and regular fees are as follows:

Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications	Regular Transactions	OTC Block Trades
GB21	GBP 0.30	GBP 0.45
GB22	USD 1.20	USD 1.80
GB23	EUR 1.20	EUR 1.80

Please also see the Price List (attachment 2).

11. OTC Wholesale Facilities

The British Single Stock Dividend Futures will be admitted to Block-Trading with a block trade size of one contract. Annex A of the General Conditions for Utilization of the OTC Trade Entry Facility has been amended accordingly (see attachment 4).

Members who are already registered for Block-Trading and/or Vola Trading may use the Block Trade Facility for the new SSDFs without any further action.

Members wishing to participate in the OTC Trade Entry Facilities for the first time should confirm their acceptance of the General Participation Conditions by signing the appropriate form and returning it to Eurex. 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 path:

www.eurexchange.com > Documents > Forms > Trading Derivatives > Single Forms > OTC Trade Entry

For easier access to the documents, please click on the following link:
http://www.eurexchange.com/documents/forms/trading_derivatives/single/otc_en.html

If you have any questions or if you are interested in being a Designated Market Maker in these products, please contact Mehtap Dinc on tel. +49-69-211-1 72 84 or e-mail: mehtap.dinc@eurexchange.com.

February 9, 2011

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MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

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Annex C in relation to Contract Specifications:

Trading Hours Futures Contracts

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Single Stock Dividend Futures

Group ID pursuant to Annex D	Pre-Trading-Period	Continuous Trading	Post-Trading Full Period	OTC Trading	Last Trading Day Trading until
BE21 CH21 DE21 ES21 FR21 FI21 GB21 GB22 GB23 IE21 IT21 NL21	07:30-08:30	08:30-17:30	17:30-20:30	08:30-18:30	12:00

All times in CET

[…]

Annex D in relation to subsection 1.15 of the Contract Specifications:

Futures contracts on the dividends of Shares ("Single Stock Dividend Futures")	Product-ID	Group ID*	Cash Market-ID*	Contract Size	Minimum Price Change	Currency **
[…]						
Anglo American PLC	A2AL	GB22	XLON	1000	0.001	USD
AstraZeneca PLC	A2ZN	GB22	XLON	1000	0.001	USD

Futures contracts on the dividends of Shares ("Single Stock Dividend Futures")	Product-ID	Group ID*	Cash Market-ID*	Contract Size	Minimum Price Change	Currency **
Barclays PLC	B2AR	GB21	XLON	1000	0.01	GBX
BHP Biliton PLC	B2LT	GB22	XLON	1000	0.001	USD
BP PLC	B2P	GB21	XLON	1000	0.01	GBX
BT Group PLC	B2T	GB21	XLON	1000	0.01	GBX
Diageo PLC	D2GE	GB21	XLON	1000	0.01	GBX
GlaxoSmithkline PLC	G2SK	GB21	XLON	1000	0.01	GBX
HSBC Holdings PLC	H2SB	GB22	XLON	1000	0.001	USD
Rio Tinto PLC	R2TZ	GB21	XLON	1000	0.01	GBX
Royal Dutch Shell PLC – A Shares	R2DA	GB23	XAMS	1000	0.001	EUR
Tesco PLC	T2SC	GB21	XLON	1000	0.01	GBX
Vodafone Group PLC	V2O	GB21	XLON	1000	0.01	GBX
[…]						

* The group ID as well as the cash market ID shall be assigned by the Eurex Exchanges according to the following table and shall merely have an internal assignment function~~, amongst other things, serve the purpose of determining a market place for the price of the share underlying the contract~~.

** GBX: Pence Sterling

Group ID	Relevant Cash Market	ID of Cash Market
[…]		
GB21	Electronic Trading System of the London Stock Exchange	XLON
GB22	Electronic Trading System of the London Stock Exchange	XLON
GB23	Electronic Trading System of the NYSE Euroxext Amsterdam	XAMS
[…]		

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3.1 Matching of Exchange Transactions / Recording of Derivatives Transactions (Trade)

~~3.1.1~~ Exchange Transactions

[…]

Contract *	**Currency**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[…]					
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000					
DE21, BE21, ES21, FR21, FI21, IE21, NL21, GB23	EUR	1,20	n.a.		
CH21	CHF	1,60	n.a.		
IT21	EUR	0,40	n.a.		
GB21	GBP	0.30	n. a.		
GB22	USD	1.20	n. a.		
[…]					

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3.1.3 OTC Transactions

[…]

Contract*	Currency	Standard Fee pro Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold A-Accounts (number of contracts)	Threshold P-Accounts (number of contracts)
Equity Derivatives					
[…]					
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000					
DE21, BE21, ES21, FR21, FI21, IE21, NL21, GB23	EUR	1,80	n.a		
CH21	CHF	2,40	n.a		
IT21	EUR	0,60	n.a		
GB21	GBP	0,45	n.a.		
GB22	USD	1,80	n.a.		

[…]

3.3 Position Closing Adjustments

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Contract	Fee per Contract	
[…]		
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000		
DE21, BE21, ES21, FR21, FI21, IE21, NL21, GB23	EUR	2.40
CH21	CHF	3.20
IT21	EUR	0.80
GB21	GBP	0.60
GB22	USD	2.40
[…]		

3.4 Cash Settlement

Contract	Fee per Contract	Maximum Fee for Contracts on the same underlying of each A-, P- and M-accounts
[…]		
Stock Dividend Futures with Group ID assigned in Annex D of the Eurex Contract Specifications with a contract size of 1000		
DE21, BE21, ES21, FR21, FI21, IE21, NL21, GB23	EUR 1.20	
CH21	CHF 1.60	
IT21	EUR 0.40	
GB21	GBP 0.30	
GB21	USD 1.20	
[…]		

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AMENDMENTS ARE MARKED AS FOLLOWS:

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Part 2 Clearing of Futures Contracts

2.16 Clearing of Futures Contracts on the dividends of Shares

The following subparts shall rule the clearing of transactions of Futures Contracts on the dividends of Shares ("Single Stock Dividend Futures") named in Number 1.15 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zurich. Certificates representing shares (Depositary Receipts) shall be handled as shares.

2.16.1 Procedures in Payment

All payments shall be made on on the Exchange day following the final settlement day (Number 1.15.4 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich). All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in the respective currency of the contract in the account with a payment institution recognised by Eurex Clearing AG (available on www.eurexclearing.com) ~~RTGS Account or in the euroSIC Account~~.

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Annex A to the General Conditions for Participation:

OTC Periods of Use (all times in CET)

Futures Contracts

[…]

Dividend Futures Contracts

Single Stock Dividend Futures with Group ID assigned pursuant to Annex D of the Eurex Contract Specifications	
BE21 CH21 DE21 ES21 FR21 FI21 GB21 GB22 GB23 IE21 IT21 NL21	08:30-18:30

[…]