clear to trade

eurex clearing *circular 032/17*

Date: 30 March 2017
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Options contracts on Exchange Traded Funds (EXTF options): 1. Introduction of seven ETF options 2. Withdrawal of admission of 15 ETF options

Related Eurex circular: 029/17

Contact: Derivatives Clearing Supervision, T +49-69-211-1 12 50, clearing@eurexclearing.com,
Risk Control, T +49-69-211-1 24 52, risk@eurexclearing.com

Content may be most important for:

➲ All departments

Attachments:

Updated sections of the following Rules and Regulations:

1. Clearing Conditions of Eurex Clearing AG
2. Price List of Eurex Clearing AG
3. Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation)

Summary:

Effective **25 April 2017,** Eurex Clearing will be offering clearing services for options on seven iShares ETFs introduced at Eurex Exchanges.

In conjunction with the decision taken by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG to delist 15 ETF options, Eurex Clearing will discontinue the clearing services for these products effective also **25 April 2017**.

This circular contains information on clearing of the respective products and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG that will come into effect on **25 April 2017.**

Please refer to Eurex circular 029/17 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 Eurex Deutschland and Eurex Zürich AG (Eurex Exchanges).

eurex clearing

Eurex Clearing AG
Mergenthalerallee 61
65760 Eschborn
Mailing address:
60485 Frankfurt/Main
Germany

Internet:
www.eurexclearing.com

Chairman of the Supervisory Board:
Hugo Bänziger

Executive Board:
Erik Tim Müller (CEO),
Heike Eckert (Deputy CEO),
Matthias Graulich,
Thomas Laux,
Manfred Matusza

Aktiengesellschaft mit Sitz in Frankfurt/Main
HRB Nr. 44828
USt-IdNr. DE194821553
Amtsgericht Frankfurt/Main

Options contracts on Exchange Traded Funds (EXTF options): 1. Introduction of seven ETF options 2. Withdrawal of admission of 15 ETF options

Effective 25 April 2017, Eurex Clearing will offer clearing services for options on seven iShares ETFs introduced at Eurex Exchanges.

In conjunction with the decision taken by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG to delist 15 ETF options Eurex Clearing will discontinue the clearing services for these products effective also 25 April 2017.

This circular contains information on clearing of the respective products and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG that will come into effect on 25 April 2017.

Please refer to Eurex circular 029/17 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 Eurex Deutschland and Eurex Zürich AG (Eurex Exchanges).

Introduction of seven ETF options

1. Overview

Underlying instrument						
Name	**Currency**	**Income**	**ISIN**	**Eurex ID**	**Ticker**	**Market**
iShares EURO STOXX Banks 30-15 UCITS (DE)	EUR	Distributing	DE0006289309	EXX1	SX7EEX GY	XETRA
iShares STOXX Europe 600 UCITS (DE)	EUR	Distributing	DE0002635307	EXSA	SXXPIEX GY	XETRA
iShares MSCI Europe UCITS	EUR	Distributing	IE00B1YZSC51	IQQY	IQQY GY	XETRA
iShares MSCI Emerging Markets UCITS	USD	Distributing	IE00B0M63177	IDEM	IDEM LN	LSE
iShares Core MSCI World UCITS	USD	Accumulating	IE00B4L5Y983	IWDA	IWDA LN	LSE
iShares Core S&P 500 UCITS	USD	Accumulating	IE00B5BMR087	CSPX	CSPX LN	LSE
iShares Core FTSE 100 UCITS	GBX	Distributing	IE0005042456	ISF	ISF LN	LSE

2. Contract specifications

For the detailed contract specifications please refer to Eurex circular 029/17.

Eurex products	
Contract size	100 index fund shares (ISF 1,000 index fund shares)
Tick size	EUR 0.01, USD 0.01 and GBX 0.25
Contract months	Up to 24 months; the next three successive calendar months, the three following quarterly expiration dates of the cycle March, June, September and December and the next two following expiration months of the June and December cycle.
Settlement	Physical delivery of 100 index fund shares (ISF 1,000 index fund shares)
Last trading day	The third Friday of each maturity month, if this is an exchange day, otherwise the exchange day immediately preceding that day.
Reference price	Based on the closing price determined within the electronic trading system of the Frankfurt Stock Exchange (XETR) and London Stock Exchange (XLON) for the respective underlying on the last trading day.
Exercise	American-style; Options on iShares ETFs can be exercised up to the end of the Post-Trading Full Period (20:00 CET) on any exchange day during the lifetime of the option.

3. Product groups

The new ETF options will be allocated to the following product groups:

Product ID	Underlying	Product group	Description
EXX1	iShares EURO STOXX Banks 30-15 UCITS (DE)	ENSOFE	Options on ETFs cash/physically in EUR
EXSA	iShares STOXX Europe 600 UCITS (DE)	ENSOFE	Options on ETFs cash/physically in EUR
IQQY	iShares MSCI Europe UCITS	NNSHFE	ETF F&O physical settlement in EUR
IDEM	iShares MSCI Emerging Markets UCITS	NNSHFU	ETF F&O physical settlement in USD
IWDA	iShares Core MSCI World UCITS	NNSHFU	ETF F&O physical settlement in USD
CSPX	iShares Core S&P 500 UCITS	NNSHFU	ETF F&O physical settlement in USD
ISF	iShares Core FTSE 100 UCITS	NNSHFG	ETF F&O physical settlement in GBP

4. Amendments to the Clearing Conditions of Eurex Clearing AG

The relevant amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) are included in attachment 1 to this circular.

The relevant amendments will become effective on the launch date 25 April 2017. As of the effective date, the full versions of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Clearing Conditions

5. Transaction fees

Underlying	Orderbook transactions	Off-book transactions
Options on iShares ETFs in EUR	EUR 0.30	EUR 0.40
Options on iShares ETFs in USD	USD 0.30	USD 0.40
Options on iShares ETFs in GBP	GBP 0.30	GBP 0.40

Please refer to attachment 2 for the updated sections of the Price List of Eurex Clearing AG.

6. Admission to the Trade Entry Services

The minimum number of tradable contracts for the new products via the Trade Entry Services is:

Product code	Underlying	Minimum Block Trade Size
EXX1	iShares EURO STOXX Banks 30-15 UCITS (DE)	5,000
EXSA	iShares STOXX Europe 600 UCITS (DE)	2,000
IQQY	iShares MSCI Europe UCITS	1,500
IDEM	iShares MSCI Emerging Markets UCITS	1,000
IWDA	iShares Core MSCI World UCITS	1,000
CSPX	iShares Core S&P 500 UCITS	750
ISF	iShares Core FTSE 100 UCITS	750

Participants who are already registered for the Trade Entry Services may use the respective services for the options on iShares ETFs without any further action.

Trading Participants wishing to use the Trade 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 Eurex Exchange. In addition, where the member firm is a Non-Clearing Member, its Clearing Member must sign and return the General Clearer's Declaration Agreement at the same time. The necessary forms can be found on the Eurex Clearing website under the link:

Resources > Forms

The updated sections of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) can be found in attachment 3 to this circular.

As of the effective date, the full versions of the amended Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) will be available for download on the Eurex Clearing website under the following link:

Resources > Rules and Regulations > Conditions for Utilization of the Eurex Trade Entry Services

7. Market-Making

Effective 25 April 2017, the following measure of Eurex Clearing will come into effect:

- Introduction of the Permanent Market-Making scheme for options on iShares ETFs from 25 April 2017 until 31 December 2017.

The relevant conditions and details as well as the exact parameters of the Permanent Market-Making scheme in the respective products can be found in Eurex circular 029/17.

Registration for the Permanent Market-Making in the options on iShares ETFs is not required.

8. 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 under the link:

Risk management > Risk parameters

Withdrawal of admission of 15 ETF options

In conjunction with the decision taken by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG to delist 15 ETF options Eurex Clearing will discontinue the clearing services for these products effective also 25 April 2017.

Attached to this circular are the updated sections of the Clearing Conditions of Eurex Clearing AG, the Price List of Eurex Clearing AG and the Conditions for Utilization of the Eurex Trade Entry Services.

For information especially on the delisting of the products and the updated sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG, please refer to Eurex circular 029/17.

Pursuant to Chapter I, Part 1, Number 17.2.6 of the Clearing Conditions, each Affected Customer accepts each change or amendment to the Clearing Conditions, unless it objects by written notice to Eurex Clearing within fifteen (15) Business Days prior to the effective date. The rights to terminate the Clearing Agreement and Clearing Licenses according to Chapter I, Part 1, Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions shall remain unaffected.

Pursuant to Number 15.6 of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) and Number 14 Paragraph 3 of the Price List of Eurex Clearing AG (Price List), amendments to the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation or the Price List respectively are being accepted, unless the TES Participant or the Clearing Member provide a written objection to Eurex Clearing AG within ten (10) Business Days after publication.

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. Alternatively, Risk Control is available at tel. +49-69-211-1 24 52 or via e-mail to: risk@eurexclearing.com.

30 March 2017

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 25.04.2017

****

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

Part 3 Clearing of Options Contracts

The following provisions shall apply to the Clearing of Options contract transactions specified in Number 2 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich ("**Eurex Contract Specifications**").

[…]

3.5 Clearing of Options Contracts on Shares of Exchange-Traded Funds (EXTF Options)

The following provisions shall apply to the Clearing of Option contract transactions on Exchange-Traded Funds (EXTF Options) specified in Number 2.5 of the Contract Specifications for Shares of Exchange-Traded Funds (EXTF Options) at Eurex Deutschland and Eurex Zürich.

3.5.1 Delivery and Payment Procedures

All physical deliveries and payments shall be concurrently performed between the Clearing Members and Eurex Clearing AG

- on the second Business Day after the last trading day of the contract with respect to EXTF options on iShares ETFs whose underlying securities are traded in the electronic trading system of the Frankfurter Wertpapierbörse (**Xetra**), as well as in the electronic trading system of the London Stock Exchange (**LSE**),
- on the second Business Day after the last trading day of the contract with respect to EXTF options, whose underlying securities are traded in the electronic trading system of the SIX Swiss Exchange AG, as well as EXTF options on ~~Source ETFs,~~ db x-trackers ETFs ~~and Lyxor ETFs~~ whose underlying securities are traded in the electronic trading system of the Frankfurter Wertpapierbörse.

[…]

3.5.3 Reference Price

(1) The tender price of EXTF ~~Futures~~ Options contracts on iShares ETFs, whose underlying securities are traded in the electronic trading system of the Frankfurter Wertpapierbörse, shall be the price of the respective underlying security effected on the closing auction in the electronic trading system of the Frankfurter Wertpapierbörse.

(2) The price of EXTF ~~Futures~~ Options contracts, whose underlying securities are traded in the electronic trading system of the SIX Swiss Exchange AG, shall be the price of the respective underlying security effected on the closing auction in the electronic trading system of the SIX Swiss Exchange AG.

(3) The price of EXTF Options contracts, whose underlying securities are traded in the electronic trading system of the London Stock Exchange, shall be the price of the respective underlying security effected on the closing auction in the electronic trading system of the London Stock Exchange.

(4~~3~~) If no price in the underlying security is effected on the closing auction of if that price does not reflect the true market conditions, Eurex Clearing AG may determine the final settlement price at its equitable discretion.

~~(4) For EXTF options on Source or Lyxor ETFs whose underlying security is traded in the electronic trading system of the Frankfurter Wertpapierbörse, the indicative Net Asset Value at the close of trading – however, no later than 6 p.m. – of the underlying securities shall be relevant.~~

(5) For EXTF options on db x-trackers ETFs whose underlying security is traded in the electronic trading system of the Frankfurter Wertpapierbörse, the Net Asset Value at the close of trading of the underlying securities on the last trading day shall be relevant. In general, this shall only be published on the morning of the next trading day.

For flexible EXTF options on db x-trackers ETFs expiring on a standard final settlement day, the Net Asset Value at the close of trading of the underlying securities on the last trading day of the standard option shall be relevant.

For flexible EXTF options on db x-trackers ETFs expiring on a day other than the standard final settlement day, the indicative Net Asset Value at the close of trading – however, no later than 6 p.m. – of the underlying securities shall be relevant.

****

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

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

[…]

3.1 Matching / Recording of Derivatives Transactions (Trade)

3.1.1 Order Book Transactions

For transactions executed via the order book on the Eurex Exchanges, the following fees per contract apply. For some products specified in the table below, a reduced fee is applied on the contract volume of a transaction that exceeds the defined threshold. For transactions booked on M-Accounts, the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to Stock Futures that are correctly booked on M-accounts. In these cases, the sliding fee scale as defined in sentence 2 applies.

Contract[1)]	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)
[…]					
Derivatives on Exchange Traded Index Fund Shares					
[…]					
Options					
iShares ETF Options (in GBP)	GBP	0.30	n. a.		
iShares ETF Options (in USD)	USD	0.30	n. a.		
~~Lyxor ETF Options~~	~~EUR~~	~~0.30~~	~~n. a.~~		
~~Source ETF Sector Options~~	~~EUR~~	~~0.30~~	~~n. a.~~		

3.1.2 Off-Book Transactions

(1) For transactions executed off-book and entered into the Eurex System via the Eurex Trade Entry Services (as described in theGeneral Conditions for Participation), the following fees per contract apply. For some products specified in the table below a reduced fee is applied on the contract volume of an off-book transaction entered into the Eurex System that exceeds the defined threshold. For transactions booked on M-Account the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to transactions in stock futures that are correctly booked on M-accounts. In these cases the sliding fee scale as defined in sentence 2 applies.

(2) For off-book transactions in products other than stock options/LEPOs and Options on Interest Rate Futures that are entered into the Eurex System via the Eurex Trade Entry Service for multilateral trades (Multilateral Trade Registration Service) the standard fee is applicable on the entire volume of the transaction. In these cases, the reduced fee is not applied.

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)
[…]					
Derivatives on Exchange Traded Index Fund Shares					
[…]					
Options					
iShares ETF Options (in GBP)	GBP	0.40	n. a.		
iShares ETF Options (in USD)	USD	0.40	n. a.		
~~Lyxor ETF Options~~	~~EUR~~	~~0.40~~	~~n. a.~~		
~~Source ETF Sector Options~~	~~EUR~~	~~0.40~~	~~n. a.~~		

[…]

3.7 Exercise of Options

Contract	**Fee per Contract**
[…]	
Derivatives on Exchange-traded Index Funds	
Options on Exchange-traded Shares on Index Funds (denominated in USD)	USD 0.30
Options on Exchange-traded Shares on Index Funds (denominated in GBP)	GBP 0.30

****

****

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

9 Admitted Products

[…]

9.4 Block Trade Service

Eurex Clearing AG has admitted to the Block Trade Service the following products pursuant to Numer 9.4.1 as well as Flexible Futures and Options Contracts pursuant to Number 9.4.2.

Such admission does also apply to possible combinations within the meaning of Number 2.2 of the Eurex Trading Conditions.

9.4.1 Admitted Products:

Product	Minimum number of tradable contracts
[…]	
Options on Exchange Traded Funds (ETF-Options)	
[…]	
Options Contracts on the Exchange Traded Funds: iShares Core MSCI World (IWDA) iShares STOXX Europe 600 (DE) (EXSA)	2,000
Options Contracts on the Exchange Traded Funds: iShares MSCI Emerging Markets (Dist) (IDEM)	1,000

Product	Minimum number of tradable contracts
Options Contracts on the Exchange Traded Funds: iShares Core FTSE 100 (Dist) (ISF) iShares Core S&P 500 (CSPX)	750
[…]	
Options Contracts on the Exchange Traded Funds: iShares EURO STOXX 50® (EUN2) iShares EURO STOXX Banks 30-15 (DE) (EXX1)	5,000
Options Contracts on the Exchange Traded Funds: iShares MSCI Europe (Dist) (IQQY)	1,500
Options Contracts on Exchange Traded Funds: ~~Source ETFs,~~ db x-trackers ETFs~~, Lyxor ETFs~~	100

9.4.2 Admitted Flexible Futures and Options Contracts

Eurex Clearing AG has admitted the following products as Flexible Futures and Options Contracts within the context of Block Trade Entry Service. Eurex Clearing AG can in individual cases, depending on the type of settlement of the respective contracts suspend the admission to or limit the availability of these services for certain products.

I. Flexible Eurex Options Contracts	**Minimum number of contracts to be traded**
[…]	
Options Contracts on Exchange Traded Index funds - ~~Source ETFs,~~ db x-trackers ETFs~~, Lyxor ETFs~~	100
Options Contracts on Exchange Traded Index funds - ~~iShares DAX® (DE) (EXS1), iShares EURO STOXX 50® (EUN2),~~ iShares SMI® (XMT)	1,000
Options Contracts on the Exchange Traded Funds: iShares Core MSCI World (IWDA) iShares STOXX Europe 600 (DE) (EXSA)	2,000
Options Contracts on the Exchange Traded Funds: iShares MSCI Emerging Markets (Dist) (IDEM)	1,000

I. Flexible Eurex Options Contracts	Minimum number of contracts to be traded
Options Contracts on the Exchange Traded Funds: iShares Core FTSE 100 (Dist) (ISF) iShares Core S&P 500 (CSPX)	750
Options Contracts on Exchange Traded Index funds - iShares DAX® (DE) (EXS1)	2,500
Options Contracts on Exchange Traded Index funds - iShares EURO STOXX 50® (EUN2) iShares EURO STOXX Banks 30-15 (DE) (EXX1)	5,000
Options Contracts on Exchange Traded Index funds - iShares MSCI Europe (Dist) (IQQY)	1,500

[…]

Annex A to the General Conditions for Participation:

Off-Book Periods of Use (all times in CET)

[…]

Options Contracts on Exchange-traded Index Funds (ETF Options)

Product	Product-ID	Start-End
Options on EUR ETFs* ~~and CHF ETFs**~~	OXEU	09:00-19:00
Options on CHF ETFs**	OXCH	09:00-19:00
Options on GBP and USD ETFs***	OXGB	09:00-19:00

* ETF Options whose underlying is traded in the electronic trading system of Frankfurt Stock Exchange (FWB).

** ETF Options whose underlying is traded in the electronic trading system of SWX Swiss Exchange.

*** ETF Options whose underlying is traded in the electronic trading system of London Stock Exchange.