clear to trade

eurex clearing *circular 004/17*

Date: 10 January 2017
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
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Exchange Traded Funds derivatives: Introduction of futures on the db x-trackers Harvest CSI300 ETF

Related Eurex circular: 003/17

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Content may be most important for:	**Attachments:**
➲ All departments	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 **20 February 2017**, Eurex Clearing will offer clearing services for futures on the db x-trackers Harvest CSI300 ETF introduced at Eurex Exchange. The EXTF futures will be launched in cooperation with China Europe International Exchange (CEINEX).

This circular contains information on clearing of the respective products and the updated sections of the relevant Rules and Regulations of Eurex Clearing AG which will come into effect on 20 February 2017.

Please refer to Eurex circular 003/17 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.

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Manfred Matusza

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

Exchange Traded Funds derivatives: Introduction of futures on the db x-trackers Harvest CSI300 ETF

Effective 20 February 2017, Eurex Clearing will offer clearing services for futures on the db x-trackers Harvest CSI300 ETF introduced at Eurex Exchange. The EXTF futures will be launched in cooperation with China Europe International Exchange (CEINEX).

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1. Overview

Underlying instrument					
Name	**Currency**	**ETF type**	**ISIN**	**Bloomberg**	**Reuters**
db x-trackers Harvest CSI300 ETF UCITS	EUR	Physical	LU0875160326	RQFI GY	RQFI.DE

Eurex products				
Name	**Currency**	**Code**	**ISIN**	**Product type**
Futures on db x-trackers Harvest CSI300 ETF UCITS	EUR	CRQF	DE000A2BMKV2	Future

2. Contract specifications

For the detailed contract specifications please refer to Eurex circular 003/17.

Eurex products	
Name	**Futures on db x-trackers Harvest CSI300 ETF UCITS**
Product ISIN	DE000A2BMKV2
Product code	CRQF
Contract size	1,000 shares of the underlying Exchange-traded fund
Underlying ISIN	LU0875160326
Reference market	XETR
Contract months	The next three quarterly months of the cycle March, June, September and December
Settlement	Cash settlement

Eurex products	
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) for the respective underlying on the last trading day

3. Product groups

The product group assigned to the futures on db x-trackers Harvest CSI300 ETF is as follows: ENSFFE

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 20 February 2017. Once published, the amended Clearing Conditions will be available on the Eurex Clearing website www.eurexclearing.com under the link:

Resources > Rules and Regulations > Clearing Conditions

5. Transaction fees

The same values apply as for existing EXTF futures denominated in euro.

A fee holiday for futures on the db x-trackers Harvest CSI300 ETF will be granted to all Eurex Members up to and including 31 July 2017.

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 futures on the db x-trackers Harvest CSI300 ETF will be admitted to the Trade Entry Services. The minimum number of contracts to be traded is 100.

The Multilateral Trade Registration will not be available for the new products.

The Flexible Futures Facility will be available for the futures on the db x-trackers Harvest CSI300 ETF.

Participants who are already registered for the Trade Entry Services may use the respective services 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.

7. Simulation

Starting 18 January 2017, the futures on the db x-trackers Harvest CSI300 ETF will be available in the Eurex simulation environment for testing purposes.

8. Market-Making

Effective 20 February 2017, the following measure of Eurex Clearing will come into effect:

- Introduction of the Designated Market-Making scheme for futures on the db x-trackers Harvest CSI300 ETF from 20 February 2017 until 31 December 2017.

The relevant conditions and details as well as the exact parameters of the Designated Market-Making scheme in the respective products can be found in Eurex circular 003/17.

In order to sign up as Designated Market Maker, please send the filled-out and signed form (attachment 3 to Eurex circular 003/17) to Tobias Ehinger via fax to +49-69-211-1 44 61 or via e-mail to: tobias.ehinger@eurexchange.com.

9. 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

10. Trading hours (CET)

The trading hours are in line with existing EXTF futures. Please see the Eurex Contract Specifications for further information.

Pursuant to Chapter I, Part 1, Number 17.2.3 of the Clearing Conditions of Eurex Clearing AG (Clearing Conditions), the changes and amendments to the Clearing Conditions communicated with this circular shall be deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer, unless they object in writing to Eurex Clearing AG prior to the actual effective date of such change and amendment of the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License 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 14 Paragraph 3 of the Price List of Eurex Clearing AG (Price List), 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 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.

10 January 2017

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 20.02.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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Part 2 Clearing of Futures Contracts

The following provisions shall apply to the Clearing of futures contract transactions specified in Number 1 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich ("**Eurex Contract Specifications**").

[…]

2.5 Clearing of Futures Contracts of Exchange Traded Fund Shares

The following provisions shall apply to the Clearing of Exchange Traded Fund futures contract transactions specified in Number 1.4 of the Eurex Contract Specifications (EXTF futures).

2.5.1 Delivery and Payment Procedures

(1) All physical deliveries and payments for EXTF futures 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.

Physical deliveries of securities shall be made through a Settlement Location, and payments shall be made through the account specified by such Settlement Location.

Each Clearing Member and Eurex Clearing AG must ensure that Transactions can be processed in the Gross Delivery Management pursuant to Chapter I Part 1 Number 1.4.2 Paragraph (2) and Number 1.3.1 Paragraph (1) (b) – (e) on the Business Day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments thereof through sufficient deposits in the securities account at the respective depository institution and credit balances in the RTGS Account, the euroSIC Account or the SIC Account.

(2) In case of EXTF Futures Contracts to be fulfilled in cash (Number 1.4.2 Paragraph 3 of the Eurex Contract Specifications), all payments shall be made

on the Business Day following the final settlement day (pursuant to Number 1.4.4 of the Eurex Contract Specifications).

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).

2.5.2 Tender Price and Final Settlement Price

The tender price or the final settlement price, respectively, shall be determined by Eurex Clearing AG on the last trading day of a contract according to the value of the securities on that day as follows:

- The respective tender or final settlement price of EXTF Futures contracts, the underlying securities of which 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.
- The respective tender or final settlement price of EXTF Futures contracts, the underlying securities of which 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.

If no price in the underlying security is effected on the closing auction, the volume-weighted average of the last three "**paid**" prices (*Bezahlt-Preise*) of the respective underlying security effected in the electronic trading system of the Frankfurter Wertpapierbörse shall be authoritative.

If, pursuant to Clause 3 of this Number, the determination of the prices is not possible or if the determined tender price or the determined final settlement price, respectively, does not reflect the true market conditions, Eurex Clearing AG may determine the tender price or the final settlement price, respectively, at its equitable discretion.

2.5.3 Fulfilment, Delivery

(1) In case of EXTF Futures Contracts to be fulfilled by cash settlement (Number 1.4.2 Paragraph 3 of the Eurex Contract Specifications), open positions from the last trading day or the final settlement day, respectively, of a futures contract shall be balanced on the Business Day following this day by means of a net payment credited to or debited from the internal cash account of the Clearing Member pursuant to Chapter I Part 1 Number 4.3. Such payment shall equal the difference between the final settlement price of a Futures Contract and such contract's daily settlement price on the Business Day preceding the last trading. For positions opened on the last trading day, the booking amount shall equal the difference between the final settlement price and the trading price.

(2) In case of EXTF Futures Contracts to be fulfilled by physical delivery (Number 1.4.2 Paragraph 1 of the Eurex Contract Specifications), fulfilment can only take place by delivery of the underlying share. Consequently, there is an obligation to take delivery

incumbent upon the owner of a long position of the respective Single Stock Futures Contract.

~~(1) A delivery obligation arising out of a short position in an EXTF futures contract may only be performed by the delivery of the underlying security. Consequently, there is an obligation to take delivery incumbent upon the owner of a long position in an EXTF futures contract.~~

(3~~2~~) If the last trading day of the EXTF Futures contracts is the day preceding the day on which the profits are distributed, the new owner of the underlying security shall be entitled to the distribution. For EXTF Futures contracts whose underlyings are traded in the electronic system of FWB, this applies including the relevant imputable tax amount.

2.5.4 Failure to Deliver

In the event that a Clearing Member fails to deliver the underlying security on the delivery day (as per Number 2.5.1) according to the instructions of Eurex Clearing AG, Eurex Clearing AG shall take measures in accordance with Chapter V Part 2 Number 2.2; the contractual penalty regulations shall also apply accordingly.

2.5.5 Corporate Actions

In case of corporate actions which form the basis of underlyings whose delivery has not yet been effected, the regulations pursuant to Chapter V Part 2 Number 2.3 apply *mutatis mutandis*.

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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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3.1 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	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					
Futures					
iShares ETF Futures (in CHF)	CHF	0.50	n. a.		
iShares ETF Futures (in EUR)	EUR	0.30	n. a.		
db x-trackers ETF Futures	EUR	0.30	n. a.		
Options					
db x-trackers ETF Options	EUR	0.30	n. a.		
iShares ETF Options (in CHF)	CHF	0.50	n. a.		
iShares ETF Options (in EUR)	EUR	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					
Futures					
iShares ETF Futures (in CHF)	CHF	0.70	n. a.		
iShares ETF Futures (in EUR)	EUR	0.40	n. a.		
db x-trackers ETF Futures	EUR	0.40	n. a.		
Options					
db x-trackers ETF Options	EUR	0.40	n. a.		
iShares ETF Options (in CHF)	CHF	0.70	n. a.		
iShares ETF Options (in EUR)	EUR	0.40	n. a.		
Lyxor ETF Options	EUR	0.40	n. a.		
Source ETF Sector Options	EUR	0.40	n. a.		
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9.4 Block Trade Service

Eurex Clearing AG has admitted to the Block Trade Service the following products and Combinations Transactions Option-Share. Such admission is independent from the respective transactions being entered into the Eurex System within the scope of an options strategy, an options volatility strategy or as a Combination Transaction Option-Share, consisting of Off-Book options transactions and Off-Book securities transactions.

9.4.1 Admitted Products:

Product	Minimum number of tradable contracts
[…]	
Exchange Traded Funds Futures (ETF-Futures)	
Futures contracts on Exchange-traded Index Funds shares: db x-trackers ETFs	100
[…]	

Annex A to the General Conditions for Participation:

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

Futures Contracts

[…]

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

Product	Product-ID	Start-End
Futures on EUR ETFs*		09:00-20:00

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

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