

Eurex-Rundschreiben 029/18

A. VSTOXX® Futures: Änderung der Spread-Anforderungen B. Variance Futures: Einführung eines nicht-monetären Liquidity Provider-Programms

Die Geschäftsführung der Eurex Deutschland hat den folgenden Beschluss getroffen:

1. Änderung der Product Specific Supplement Futures auf den VSTOXX® Index (FVS) mit Wirkung zum **3. Juni 2018**.
2. Einführung eines nicht-monetären Liquidity Provider-Programms für Variance Futures auf Euro Stoxx 50® (EVAR) mit Wirkung zum **7. Mai 2018**.

Die Änderungen in Anhang 1 beziehen sich auf die Product Specific Supplement Futures auf den VSTOXX® Index. Es werden neue maximale Spread-Parameter im Liquidity Provider-Programm eingeführt und bereits existierende maximale Spread-Parameter, die während Angespannten Marktbedingungen („Stressed Market Conditions“, SMC) gültig sind, von Faktor 2 auf Faktor 3 angepasst.

Die Änderungen in Anhang 2 beziehen sich auf die Einführung eines nicht-monetären Liquidity Provider-Programms für Variance Futures auf Euro Stoxx 50® (EVAR). Durch ein LP-Programm werden entsprechende Quotierungsaktivitäten ermöglicht, da hierdurch die Limits für das Order-Transaktions-Verhältnis (OTR) und das Entgelt für exzessive Systemnutzung (ESU) erhöht werden.

Anhänge:

1. “Product Specific Supplement Futures” auf VSTOXX® Index (FVS)
2. Nicht-monetäres Liquidity Provider-Programm für Variance Futures auf Euro Stoxx 50® (EVAR)

Datum: 3. Mai 2018

Empfänger: Alle Handelsteilnehmer der Eurex Deutschland und Vendoren

Autorisiert von: Mehtap Dinc

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Alle Abteilungen

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Liquidity Provider Scheme for Futures on VSTOXX® Index

-Valid from 3 June 2018

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Preamble

This Product Specific Supplement for Futures on VSTOXX® Index (hereinafter referred to as “Product Specific Supplement”) forms an integral part of the LPA. For the avoidance of doubt, Sec. 1 of the LPA applies.

As of 1 January 2018 three Liquidity Provider schemes for Futures on VSTOXX® Index will be offered until and including 31 December 2018. Additionally, a revenue sharing scheme will be offered as of 1 January 2018 until and including 31 December 2018.

1. Applicable Building Blocks

Pursuant to Sec. 2.3 of the General Supplement to the LPA, the granting of rebates and the concrete rebate levels to be applied on the respective transaction fees are dependent on the fulfilment of Building Blocks. For this Product Specific Supplement, the following Building Blocks are applicable:

Scheme	Product ID	Basis	Package	Strategy	Larger Size	Tighter Spread	Stress Presence	Revenue Sharing
		BBB	PBB	CBB	LBB	TBB	SBB	
FVS1	FVS	✓						
FVS2	FVS	✓						✓
FVS3	FVS	✓						

2. Liquidity Provider Rebates

Upon fulfilment of the Building Block requirements of one product, Liquidity Providers shall receive a fee rebate as specified in section 3 of the General Supplement to the LPA in accordance with the table below. A multiple refund will not take place upon fulfilment of more than one scheme in one product. The evaluation takes place on a monthly basis.

Execution type	Building Block	Upon fulfilment of at least one scheme
Order book	Basis	100%
	Package	-
	Strategy	-
	Larger Size	-
	Tighter Spread	-
	Stress Presence	-
	Total	100%
Off-book*	Basis	100%
	Package	-
	Strategy	-
	Total	100%

* Only off-book block and multilateral transactions are eligible for off-book rebates for Liquidity Provisioning

3. Building Block Requirements

3.1. Basis Block Requirements

In order to receive the Liquidity Provider rebates pursuant to Sec. 2 above, the following quotation requirements shall apply:

	FVS 1	FVS 2	FVS 3
Quotation Period:	09:00 – 17:30 CET		14:00 – 22:00 CET
Required Coverage:	75%		
Maturity Range:	The first eight expirations need to be quoted		
Minimum Quote Size:	30 contracts on the bid and ask side	200 contracts on the bid and ask side	100 contracts on the bid and ask side
Maximum Spread:	Spread Class "FVS 1" (cp. Sec 5.1)	Spread Class "FVS 2" (cp. Sec 5.1)	Spread Class "FVS 3" (cp. Sec 5.1)

4. Other monetary incentive schemes: Revenue Sharing

A revenue sharing scheme for Futures on VSTOXX[®] Index is offered as of 1 January 2018 until 31 December 2018 in accordance with section 3.1.2 of the General Supplement to the LPA.

The evaluation takes place on a monthly basis.

	FVS 2
Revenue Sharing Pool:	Up to 20% of the net revenues of the product FVS
Participation Condition:	Fulfilment of Basis Block requirements of the scheme FVS 2
Number of Participants:	Up to 3
Qualification criterion:	The top 3 fulfilling Liquidity Providers participate; ranked according to their share of trading volume in M-accounts (order book and off-book) of all fulfilling Liquidity Providers
Distribution Method:	Ranked according to their share of trading volume in M-accounts (order book and off-book) of all qualifying Liquidity Providers the top Liquidity Provider will receive 10% of the net revenues, while 7% and 3% will be shared with the Liquidity Provider ranked 2 and 3 If only two Liquidity Providers qualify, the top ranked Liquidity Provider receives 12% and the other one 8% of the net revenues If only one Liquidity Provider qualifies, this Liquidity Provider receives 20% of the net revenues

VAT on the Revenue Sharing amounts shall be borne by the Liquidity Provider, if applicable, and will be offset against any due and unpaid Revenue Sharing amount.

5. Quotation Requirements

5.1. Available Spread Classes

Spread Class	Bid up to	Maximum Spread		Unit
		Expiry 1-4	Expiry 5-8	
FVS1	20	0.3	0.4	points
	-	1.50%	2%	percent
FVS2	20	0.2	0.3	points
	-	1.00%	1.50%	percent
FVS3	20	0.4	0.6	points
	-	2.00%	3.00%	percent

Spread Class*	Bid up to	Maximum Spread		Unit
		Expiry 1-4	Expiry 5-8	
FVS1	20	0.3	0.45	points
	30	2%	3%	percent
	40	3%	5%	percent
	60	6%	9%	percent
	>60	9%	14%	percent
FVS2	20	0.2	0.3	points
	30	1.5%	2%	percent
	40	2%	3%	percent
	60	4%	6%	percent
	>60	6%	9%	percent
FVS3	20	0.4	0.6	points
	30	3%	5%	percent
	40	4%	6%	percent
	60	8%	12%	percent
	>60	11%	17%	percent

***Deviating from section 2.3.1.2 of the General Supplement to the LPA the maximum BBB spread requirement shall be tripled during Stressed Market Conditions (SMC) pursuant to Section 2.2.1 of the General Supplement to the LPA.**

Liquidity Provider Schemes without monetary incentives

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 Valid as of 7 May 2018

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Preamble

This Product Specific Supplement for Liquidity Provider Schemes without monetary incentives (hereinafter referred to as "Product Specific Supplement") forms an integral part of the LPA. For the avoidance of doubt, Sec. 1 of the LPA applies.

As of 1 January 2018 -several Liquidity Provider Schemes- without monetary incentives will be offered until further notice.

1. Applicable Building Blocks

Pursuant to Sec. 2.3 of the General Supplement to the LPA, the granting of rebates and the concrete rebate levels to be applied on the respective transaction fees are dependent on the fulfilment of Building Blocks. For this Product Specific Supplement, the following Building Blocks are applicable:

Scheme	Product Scope	Basis	Package	Strategy	Larger Size	Tighter Spread	Stress Presence	Revenue Sharing
		BBB	PBB	CBB	LBB	TBB	SBB	
Index Futures	Equity Index Futures with MMO-flag and without monetary Liquidity Provider Scheme	✓					✓	
ETF Options	ETF Options with MMO-flag and without monetary Liquidity Provider Scheme	✓					✓	
ETF Futures	ETF Futures with MMO-flag and without monetary Liquidity Provider Scheme	✓					✓	
Variance Futures EVAR	EVAR: EURO STOXX 50® Variance Futures	✓						

The requirements for Strategy Block, Larger Size Block, Tighter Spread Block and Stress Presence Block are product group specific and can be found in section 2.3.3 to 2.3.6 of the General Supplement to the LPA.

2. Liquidity Provider Rebates

Upon fulfilment of the Building Block requirements of one product, Liquidity Providers shall receive a fee rebate as specified in section 3 of the General Supplement to the LPA in accordance with the table below. The evaluation takes place on a monthly basis.

Execution type	Building Block	Upon fulfilment of requirements
Order book	Basis	0%
	Package	-
	Strategy	-
	Larger Size	-
	Tighter Spread	-
	Stress Presence	0%
	Total	0%
Off-book*	Basis	0%
	Package	-
	Strategy	-
	Total	0%

* Only off-book block and multilateral transactions are eligible for off-book rebates for Liquidity Provisioning

3. Building Block Requirements

3.1. Basis Block Requirements

In order to receive the Liquidity Provider Rebates pursuant to Sec. 2 above, the following quotation requirements shall apply to each product individually:

	Index Futures	ETF Options	ETF Futures	Variance Futures <u>EVAR</u>
Quotation Period:	See quotation parameters table below (cp. Sec. 5.2)	09:00 – 17:30		
Required Coverage:	70%			80%
Maturity Range:	The front month needs to be quoted. Five exchange days prior to expiration, Liquidity Providers may choose to quote either the front month or the second expiration month	The first six expirations need to be quoted	The front month needs to be quoted	<u>The first eight expirations need to be quoted. Five exchange days prior to expiration the front month does not have to be quoted.</u>
Strike Price Window:	n.a.	5 out of 7	n.a.	<u>n.a.</u>
Response to Quote Requests:	n.a.	Quote requests do not have to be answered	n.a.	<u>n.a.</u>
Minimum Quote Size:	See quotation parameters table below (cp. Sec. 4.2)	100 contracts on the bid and ask side	5 contracts on the bid and ask side	<u>The following amounts of notional Vega on the bid and ask side:</u> Exp 1: 5,000 Exp 2-3: 10,000 Exp 4-5: 25,000 Exp 6-8: 50,000
Maximum Spread:	See quotation parameters table below (cp. Sec. 4.2)	Spread Class "ETF O" (cp. Sec. 4.1)	Spread Class "ETF F" (cp. Sec. 4.1)	<u>Spread Class "EVAR" (cp. Sec. 4.1)</u>

4. Quotation Requirements

4.1. Available Spread Classes

Spread Class	Bid up to	Maximum Spread	Unit
ETF O	1.0	0.15	Index Points
	5.0	15%	Percent
		0.75	Index Points

Spread Class	Bid up to	Maximum Spread	Unit
ETF F	50	0.2	Index Points
		0.40%	Percent

Spread Class	Maximum Spread			Unit
	Exp. 1	Exp. 2-3	Exp. 4-8	
<u>EVAR</u>	<u>3</u>	<u>2</u>	<u>1.5</u>	<u>Volatility Points</u>

4.2. Quotation Parameters

The following quotation parameters apply for the quotation requirements pursuant to Sec. 3 above

Product	Product ID	Basis Maximum Spread (percent or index points)	Basis Minimum Quote Size (contracts)	Expirations to be quoted, the first	Quotation Period
FUTURES ON MDAX	F2MX	0.50%	5	1	9:00-17:30
FUTURES ON DAX INDEX	FDAX	4	2	1	9:00-17:30
FUTURES ON DIVDAX	FDIV	0.50%	5	1	9:00-17:30
FUTURES ON EURO STOXX SEL.DIV 30	FEDV	7	25	1	9:00-17:30
FUTURES ON EURO STOXX BANKS	FESB	0.50%	25	1	9:00-17:30
FUTURES ON EURO STOXX 50	FESX	2	10	1	9:00-17:30
FUTURES ON EURO STOXX 50 EX FIN	FEXF	7	25	1	9:00-17:30
FUTURES ON OMX HELSINKI 25 INDEX	FFOX	0.50%	5	1	9:00-17:30
FUTURES ON STOXX GLOB. SEL DIV 100	FGDV	0.50%	5	1	9:00-17:30
FUTURES ON SENSEX INDEX	FSEN	0.50%	5	1	9:00-17:30
FUTURES ON SLI	FSLI	10	10	1	9:00-17:20
FUTURES ON SWISS MARKET INDEX	FSMI	0.25%	5	1	9:00-17:20
FUTURES ON SMIM	FSMM	0.50%	5	1	9:00-17:20
FUTURES ON STOXX EUROPE 50	FSTX	7	25	1	9:00-17:30
FUTURES ON TA35 INDEX	FT25	0.50%	5	1	9:00-16:35
FUTURES ON TECDAX	FTDX	0.50%	5	1	9:00-17:30
ALL OTHR INDEX FUTURES		0.50%	5	1	9:00-17:30