clear to trade

e u r e x c l e a r i n g *circular 052/14*

Date: 30 April 2014
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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Equity index derivatives: Clearing of futures on the TA-25 index

Related Eurex circular: 081/14

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Content may be most important for:	**Attachments:**
Ü All departments	Updated sections of the following Rules and Regulations: 1. Clearing Conditions for Eurex Clearing AG 2. Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation) 3. Price List for Eurex Clearing AG

Summary:

Effective **9 June 2014**, Eurex Clearing will offer clearing services for futures contracts on the TA-25 index introduced at Eurex Exchange.

This circular contains all essential information on the clearing for the new product as well as the amended sections of the relevant Rules and Regulations of Eurex Clearing AG.

For further detailed information on the introduction of the new product as well as the amended sections of the Rules and Regulations of Eurex Deutschland and Eurex Zürich AG, please refer to Eurex circular 081/14.

Equity index derivatives: Clearing of futures on the TA-25 index

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1. Eurex product

Eurex product			**Underlying instrument**			
Futures	**Product code**	**ISIN**	**ISIN**	**Bloomberg**	**Reuters**	**Product type**
TA-25 index	FAT25	DE000A11RKF4	IL00BIDX1428	TA-25 Index	.TA25	FINX

2. Amendments to the Clearing Conditions for Eurex Clearing AG

Please find the relevant amendments to the Clearing Conditions for Eurex Clearing AG in attachment 1 of this circular.

Effective 9 June 2014, 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

3. Amendments to the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

Please find the relevant amendments to the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation) in attachment 2 of this circular.

Effective 9 June 2014, the amended Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation) will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Conditions for Utilization of the OTC Trade Entry Facilities

4. Trading hours (CET)

Product	**Product code**	**Pre-trading period**	**Continuous Trading**	**Post-trading Full Period**	**Block-Trading**	**Last trading day**	
						Trading until	Exercise until
TA-25 index futures	FT25	07:30 – 8:30	08:30 – 22:00	22:00 – 22:30	08:30 – 22:00	22:00	n/a

5. Transaction fees

Contract	**Currency**	**Standard fee per contract** (contract number ≤ threshold value)	**Reduced fee per contract** (contract number > threshold value)	**Threshold value A-accounts** (contract number)	**Threshold value P-accounts** (contract number)
On-exchange trades					
TA-25 index futures	USD	0.30	n. a.		
OTC trades					
TA-25 index futures	USD	0.45	n. a.		

For further details, please refer to attachment 3 of this circular or to the current Price List of for Eurex Clearing AG on the Eurex Clearing website under the link:

Resources > Rules and Regulations > Price list

6. Market-Making fee rebates

In conjunction with the Designated Market-Making Scheme (see Eurex circular 081/14), the following fee rebates will be offered by Eurex Clearing:

Depending on the fulfilment of the monthly obligations, Designated Market Makers shall receive a rebate of 80 percent of the transaction fees until 30 June 2016. The rebate will be granted for all transactions on the M-account for order book and Wholesale transactions.

7. Amendments to the Rules and Regulations of Eurex Deutschland and Eurex Zürich AG

The respective amended section of the Contract Specifications for Futures and Options Contracts for Eurex Deutschland and Eurex Zürich can be found in Eurex circular 081/14.

8. Risk parameters

As of start of clearing, risk parameters of the new products will be published on the Eurex Clearing website under the link:

Risk management > Risk parameters

Pursuant to Chapter I, Part 1, Number 17.2.3 of the 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 16 Paragraph 3 of the 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.

30 April 2014

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)

[…]

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**").

2.1 General Provisions

[…]

2.1.2 Daily Settlement Price

[…]

(5) Reference times

Contract	Reference Time (CET)
[…]	
TA-25 Futures	16:35
[…]	

[…]

2.4 Clearing of Index Futures Contracts

[…]

2.4.2 Final Settlement Price

The final settlement price of the Index Futures contracts will be determined by Eurex Clearing AG (pursuant to Number 1.3.4 of the Contract Specifications for Futures Contracts and Options Contracts at the Eurex Deutschland and Eurex Zürich) at the final payment day of a contract.

[…]

(12) With respect to the TA-25 Index Futures contracts, the value of the final settlement price of index futures and options on the TA-25 index calculated by the Tel Aviv Stock Exchange.

(13~~2~~) In case of extraordinary circumstances, especially if the trading is interrupted due to technical problems or if a price determination for one or more securities or book-entry securities is not possible for other reasons, Eurex Clearing AG may determine the final settlement price by means of another procedure.

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5 Contract Price of OTC Trades

5.1 The contract price of OTC Trades entered into the Eurex Clearing System using one of the OTC Trade Entry Facilities must lie within an interval determined by Eurex Clearing AG pursuant to Number 5.2 to 5.5. If such interval cannot be determined pursuant to Number 5.2 to 5.5, Eurex Clearing AG shall determine it at its own discretion.

5.2 For Futures Contracts, the intervals within the meaning of Number 5.1 are generally determined as follows:

5.2.1 The upper limit of the admitted entry interval results from the daily settlement price of the respective futures contract of the previous trading day pursuant to Chapter II Number 2.1.2 (2) a) – e) of the Clearing Conditions plus an amount of 20 % of the margin parameter (available on the internet website www.eurexclearing.com) respectively defined for this contract by Eurex Clearing AG. If the daily high of the futures contract, at which the contract was actually traded, or the synthetic daily high of the futures contract exceeds the value pursuant to Clause 1, the upper limit of the admitted entry interval results from the higher of such two values respectively. In order to determine the upper limit of the admitted entry interval, the value determined pursuant to Clause 1 and 2 shall respectively be increased by

- 9,99 % in case of Hurricane Futures Contract,
- 5 % in case of futures contracts on shares with the group IDs BR01, CA01, CA02, US01 und US02 assigned in Annex B of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Agricultural Index Futures Contracts, Commodity Index Futures Contracts, Property Index Futures Contracts , Precious Metal-, Futures Contracts and FX Futures Contracts,
- 4,5 % in case of futures contracts on the Dividends of Shares and on Index Dividend Futures Contracts,
- 2 % in case of MSCI Index Futures Contracts and TA-25 Index Futures Contracts and

- 0,2 % in case of other futures contracts.

The lower limit of the admitted entry interval results from the daily settlement price of the respective futures contract of the previous trading day pursuant to Chapter II Number 2.1.2 (2) a) – e) of the Clearing Conditions minus an amount of 20 % of the margin parameter respectively defined for this contract by Eurex Clearing AG (available on the internet website www.eurexclearing.com). If the daily low of the futures contract, at which the contract was actually traded, or the synthetic daily low of the futures contract underlies the value pursuant to Clause 4, the lower limit of the admitted entry interval results from the lower of such two values respectively. In order to determine the lower limit of the admitted entry interval, the value determined pursuant to Clause 4 and 5 shall respectively be diminished by

- 9,99 % in case of Hurricane Futures Contract,
- 5 % in case of futures contracts on shares with the group IDs BR01, CA01, CA02, US01 und US02 assigned in Annex B of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Agricultural Index Futures Contracts, Commodity Index Futures Contracts, Property Index Futures Contracts, Precious Metal-Futures Contracts and FX Futures Contracts,
- 4,5 % in case of futures contracts on the Dividends of Shares and on Index Dividend Futures Contracts,
- 2 % in case of MSCI Index Futures Contracts and TA-25 Index Futures Contracts and
- 0,2 % in case of other futures contracts.

The synthetic daily high shall be determined by Eurex Clearing AG as the result of the actually traded daily high in all expiration months and the price margins between the daily settlement prices of the different expiration months of the respective futures contract.

The synthetic daily low shall be determined by Eurex Clearing AG as the result of the actually traded daily low in all expiration months and the price margins between the daily settlement prices of the different expiration months of the respective futures contract.

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9 Admitted Products, Combinations and Combination Transactions Option-Share

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9.2 EFPI Trade Facility

Eurex Clearing AG has admitted the following products to the EFPI Trade Facility:

§ […]

§ Futures Contracts on the TA-25 Index (FT25)

§ […]

9.3 EFS Trade Facility

Eurex Clearing AG has admitted the following products to the EFS Trade Facility:

§ […]

§ Futures Contracts on the TA-25 Index (FT25)

§ […]

9.4 Block Trade Facility

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

9.4.1 Admitted Products:

Product	Minimum number of tradable contracts
[…]	
Futures Contracts on the TA-25 (FT25)	100
[…]	

11 Cash transaction for the EFPI Trade Facility

11.1 Stock Index Futures Contracts

The following combinations of underlying instruments and Stock Index Futures contracts have been admitted by Eurex Clearing AG:

Admitted underlying instruments (reporting transaction)	Position-creating transaction
Share Basket	Eurex Stock Index Futures contracts
Exchange-traded index fund share	Eurex Stock Index Futures contracts

Cash transactions which are part of an EFPI trade pursuant to Number 2.2 must fulfill the prerequisites listed below.

The number of the traded futures contracts must be in a specified ratio to the market value of the shares basket or the Share of Exchange-Traded Funds. The market value of the share basket or the Share of Exchange-Traded Funds, at minimum, has to amount to one third of the transaction value of the minimum transaction volume for a block trading transaction in the respective index future (i.e. index level multiplied by contract value multiplied by minimum Block Trades transaction volume, such product being divided by 3) and must not deviate from the contract value of the futures position by more than 20 % at maximum.

The share basket or Share of Exchange-Traded Funds has to consist of at least 10 different index components or a number of share titles which represent at least half of the share index underlying the futures contract. The market value of the part of the share basket or Share of Exchange-Traded Funds whose values are part of the share index underlying the futures contract, must be at least 20 % of the market value of the entire cash transaction. All share values in the share basket or Share of Exchange-Traded Funds must be part of the STOXX Europe TMI Index, the Dow Jones Global Titans 50SM Index, the Dow Jones Sector Titans Indices, the MSCI World Index, the MSCI Emerging Markets Index, the MSCI Frontier Markets Index, the ATX® Index, the CECE® EUR Index, the RDX® USD Index, the TA-25 Index or the Sensex Index.

[…]

12 Cash Transactions for the EFS Trade Facility

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12.3 EFS for Equity Index

Eurex Clearing AG has determined that cash transactions within an EFS trade must have the following characteristics:

- The share basket reflected via the swap shall be composed of at least ten different index components or a number of stock certificates which represent at least half of the stock index underlying the futures contract. The market value of the part of the share basket reflected via the swap whose values are part of the stock index underlying the futures contract shall be at minimum 20 % of the market value of the entire cash transaction. All single shares in the share basket reflected via the swap shall be part of the STOXX® Europe TMI Index, the Dow Jones Global Titans 50SM Index, the Dow Jones Sector Titans Indices, the MSCI World Index, the MSCI Emerging Markets Index, the MSCI Frontier Markets Index, the ATX® Index, the CECE® EUR Index, the RDX® USD Index, the TA-25 Index or the Sensex Index.
- Agreement within an ISDA Master Agreement
- All payments of the swap shall be denominated in a currency of the OECD Member States

[…]

Annex A to the General Conditions for Participation:

OTC Periods of Use (all times in CET)

Futures Contracts

[…]

Index Futures Contracts

Product	Product-ID	Start-End
[…]		
TA-25 Index Futures	FT25	08:30-22:00
[…]		

[…]

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3. Transaction Fees for Derivatives Transactions (Transactions on the Eurex Exchanges and OTC-Transactions)

[…]

3.1 Matching / Recording of Derivatives Transactions (Trade)

3.1.1 Exchange Transactions (excluding Block Auction)

For transactions executed 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)
[…]					
TA-25 Futures	USD	0.30	n. a.		
[…]					

3.1.3 OTC Transactions

(1) For transactions executed OTC and entered into the Eurex Clearing System via the OTC trade entry facilities (as described in the Conditions for Utilization of the OTC Trade Entry Facilities), 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

OTC transaction entered into the Eurex Clearing 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 OTC transactions in products other than stock options/LEPOs and Options on Interest Rate Futures that are entered into the Eurex Clearing System via the OTC trade entry facility for multilateral trades (Multilateral Trade Registration) 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)
[…]					
Equity Index Derivatives					
Futures					
[…]					
TA-25 Futures	USD	0.45	n. a.		
[…]					

[…]

3.3 Position Closing Adjustments

Position Closing Adjustments, if these do not take place between 13:30 CET on the day of trade and before 13:30 CET of the following trading day:

Contract	**Fee per Contract**
[…]	
Equity Index Derivatives	
[…]	
TA-25 Futures	EUR 0.60
[…]	

3.4 Cash Settlement

Contract	Fee per Contract	Maximum Fee for Contracts on the same underlying of each A-, P- and M-accounts
[…]		
Equity Index Derivatives		
[…]		
TA-25 Futures	USD 0.30	
[…]		