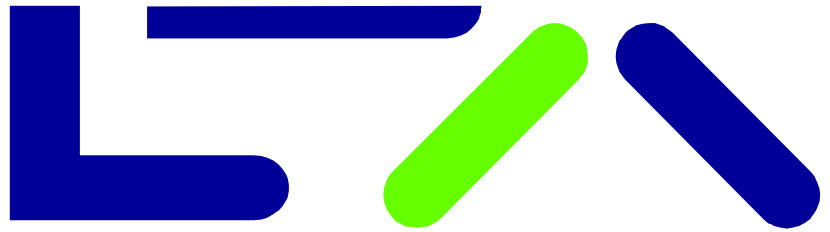


X-pand into the Future



eurex circular 143/17

Date: 12 December 2017
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

VSTOXX® derivatives: Delisting of options on VSTOXX® Index

Contact: Sascha Semroch, Product R&D Equity and Index, T +49-69-211-1 50 78,
sascha.semroch@eurexchange.com

Content may be most important for:

➤ All departments

Attachments:

1. Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Eurex Clearing circular 129/17

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG (collectively: the Eurex Exchanges) took the decision to delist options on the VSTOXX® Index (OVS) effective **5 February 2018**.

This circular contains the delisting of this product and the updated sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG.

Information on clearing-related changes following the delisting of this product as well as the amendments of the relevant Rules and Regulations of Eurex Clearing AG can be retrieved from Eurex Clearing circular 129/17 which we are providing to our Trading Participants as attachment 2.



Eurex Deutschland
Börsenplatz 4
60313 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

Internet:
www.eurexchange.com

Management Board:
Thomas Book,
Mehtap Dinc, Erik Tim Müller,
Michael Peters, Randolph Roth

ARBN: 101 013 361

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 2 Contract Specifications for Options Contracts

[...]

Subpart 2.7 ~~[deleted]~~ Contract Specifications for Volatility Index Options Contracts

The following subpart contains the contract specifications for Volatility Index Options Contracts listed in the following:-

- ~~Options Contracts on VSTOXX ("VSTOXX Options Contracts").~~

~~2.7.1~~ **Subject Matter of Contract**

- ~~(1) A Volatility Index Options Contract respectively refers to a certain volatility index.~~
- ~~(2) On the Eurex Exchanges, options contracts on the following volatility index are available:~~
 - ~~VSTOXX® Index (STOXX Limited).~~
- ~~(3) The value of an options contract is:~~
 - ~~EUR 100 per index point with contracts on the VSTOXX~~
- ~~(4) If any changes are made in the calculation of an index or its composition or weighting such that the concept of the index appears to be no longer comparable with the concept that applied when the futures contract was admitted to trading, the Management Boards of the Eurex Exchanges may order the termination of trading in such contract as of the exchange day prior to the change in the respective index. Open positions shall be settled in cash upon the termination of trading. The respective final settlement price shall be relevant (Chapter II Subsection 3.8.3 of the Clearing Conditions for Eurex Clearing AG).~~

~~2.7.2~~ **Call Option (Call)**

- ~~(1) The purchaser of a call option (Call) has the right to demand a payment in the amount of the difference between the execution price of the option and a higher final settlement price (Chapter II Number 3.8.3 of the Clearing Conditions for Eurex Clearing AG) of the options series (cash settlement).~~

~~(2) The seller (writer) of a call is required, on the exchange day after exercise of the option, to settle in cash the difference between the execution price of the option and a higher final settlement price of the options series; this shall also apply if the writer is assigned the execution on the exchange day following the day of execution only.~~

~~(3) The final settlement price shall be determined by the Executive Board of Eurex Clearing AG on the execution day of the contract.~~

2.7.3 Put Option (Put)

~~(1) The purchaser of a put option (Put) has the right to demand payment in the amount of the difference between the execution price of the option and a lower final settlement price (Chapter II Number 3.8.3 of the Clearing Conditions for Eurex Clearing AG) of the options series (cash settlement).~~

~~(2) The seller (writer) of a put is required, on the exchange day after exercise of the option, to settle in cash the difference between the execution price of the option and a lower final settlement price of the options series; this shall also apply if the writer is assigned the execution on the exchange day following the day of execution only.~~

~~(3) The final settlement price shall be determined by the Executive Board of Eurex Clearing AG on the execution day of the contract.~~

2.7.4 Term

~~For Volatility Index Options Contracts, terms expiring on the final settlement day of the eight succeeding delivery months are available on the Eurex Exchanges.~~

2.7.5 Last Trading Day, Final Settlement Day, Close of Trading

~~(1) The last trading day of an options series shall generally be the last day on which such options series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day of the Volatility Index Options Contract is the final settlement day.~~

~~(2) The final settlement day of the Volatility Index Options Contracts shall be 30 calendar days before the expiry day of the options underlying the volatility index (i.e. 30 days before the third Friday of the expiry month of the underlying options, provided that this is an exchange day). This is, in general, Wednesday before the second last Friday of a respective expiry month of the Volatility Index Options Contracts, provided that this day is an exchange day, otherwise the trading day before.~~

~~(3) Close of Trading on the last trading day for VSTOXX® Options contracts (Product ID: OVS) is 12:00 CET.~~

2.7.6 Exercise Prices

~~Options series of Volatility Index Options Contracts have exercise prices with price gradations in the amount of not less than one point.~~

2.7.7 Number of Exercise Prices upon Admission of Contracts

Upon the admission of Volatility Index Options Contracts, at least eleven exercise prices shall be made available for trading for each expiration day for each call and put, such that five exercise prices are "in the money", one is "at the money" and five are "out of the money".

2.7.8 Introduction of New Options Series

(1) Options series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given exchange day in the event that the minimum number of exercise prices specified in Number 2.7.7 in-the-money, at-the-money or out-of-the-money. The introduction shall be made at the beginning of the pre-trading period of the following trading day.

(2) A new options series shall not be introduced if it would expire within less than two exchange days, unless the market situation would require a new introduction.

2.7.9 Price Gradations

The price of a Volatility Index Options Contract shall be determined in points with two digits. The smallest price gradation (tick) shall be

- 0.05 points with VSTOXX® Options Contracts; this represents a value of EUR 5.

2.7.10 Exercise

Diverging from Subsection 2.1.3 Paragraph (1), the holder of a Volatility Index Options Contract may only exercise such option up to the end of the Post-Trading Full Period on the final settlement day (Subsection 2.7.5 Paragraph 2) thereof (European style).

2.7.11 Assignment

Diverging from Subsection 2.1.5 Paragraph (1), all exercises of a Volatility Index Options Contract may only be assigned to the writers of the exercised option on the final settlement day (Number 2.7.5 Paragraph 2).

2.7.12 Performance, Cash Settlement

(1) The settlement day is the exchange day after the exercise day.

(2) The performance of contracts shall be effected through cash settlement between the Clearing Members. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of such Non-Clearing Members.

When carrying out the cash settlement, the Volatility Index Options Contracts which are designed as options on Futures with regard to the index are settled on basis of the future. The settlement takes place by calculation of the Volatility Futures expiring upon identical final settlement day and respective cash settlement. The options expire directly in a cash position without a futures position coming into existence.

[...]

Part 3 Contracts Off-Book

[...]

Subpart 3.2 Contracts Admitted for Off-Book Trading

[...]

3.2.1 Block trades

[...]

| Product | | Minimum number of contracts traded |
|--|----------------------------------|------------------------------------|
| Standard | Additional contract versions Y/N | |
| Volatility Index Options | | |
| [..] | | |
| Options Contracts on the VSTOXX® (OVS) | N | 500 |
| [..] | | |

[...]

3.2.5 Vola trades

The following Contracts are admitted:

| Options Contract | Futures Contract |
|-----------------------|-----------------------|
| [..] | |
| VSTOXX® Options (OVS) | VSTOXX® Futures (FVS) |
| [..] | |

[...]

Annex C in relation to Contract Specifications:

[...]

Trading Hours for Options Contracts

[...]

Volatility Index Options Contracts

| Product | Product ID | Pre-Trading Period | Continuous Trading | Post-Trading Period Until | Off-book Trading Period | Off-book Post-Trading Period until | Last Trading Day | |
|---------------------------|------------|--------------------|--------------------|---------------------------|-------------------------|------------------------------------|------------------|----------------|
| | | | | | | | Trading Until | Exercise until |
| VSTOXX® Options Contracts | OVS | 07:30-07:50 | 07:50-17:30 | 20:30 | 08:00-18:30 | 18:45 | 12:00 | 20:30 |

All times CET

[..]



eurex clearing circular 129/17

Date: 12 December 2017
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

VSTOXX® derivatives: Discontinuation of clearing services for options on VSTOXX® Index

Related Eurex circular: 143/17

Contact: Clearing Operations, 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

Summary:

In conjunction with the decision taken by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG (collectively: the Eurex Exchanges) to delist options on the VSTOXX® Index (OVS), Eurex Clearing will discontinue the clearing services for these products with effect from **5 February 2018**.

This circular contains the updated sections of the following Rules and Regulations:

- Clearing Conditions of Eurex Clearing AG
- Price List of Eurex Clearing AG

For information especially on the delisting of the products listed above and the updated sections of the relevant Rules and Regulations of the Eurex Exchanges, please refer to Eurex circular 143/17.

VSTOXX® derivatives: Discontinuation of clearing services for options on VSTOXX® Index

In conjunction with the decision taken by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG (collectively: the Eurex Exchanges) to delist options on the VSTOXX® Index, Eurex Clearing will discontinue the clearing services for these products with effect from 5 February 2018.

This circular contains the updated sections of the following Rules and Regulations:

- Clearing Conditions of Eurex Clearing AG
- Price List of Eurex Clearing AG

For information especially on the delisting of the products and the updated sections of the relevant Rules and Regulations of the Eurex Exchanges, please refer to Eurex circular 143/17.

Pursuant to Chapter I, Part 1, Numbers 17.2.2. and 17.2.6 of the Clearing Conditions of Eurex Clearing AG (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 14 Paragraph 3 of the Price List of Eurex Clearing AG (Price List), the amendments 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 Clearing Operations 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.

12 December 2017

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 05.02.2018

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 3 Clearing of Options Contracts

[...]

3.7 ~~Clearing of Volatility Index Options Contracts~~

~~The following provisions shall apply to the Clearing of Volatility Index Options contract transactions specified in Number 2.8 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.~~

3.7.1 ~~Payment Procedures~~

~~All payments shall be made on the Business Day following the final settlement day (Number 2.8 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich). All Clearing Members shall ensure their ability to effect payments on the due date by having sufficient credit balances on the RTGS Account or euroSIC Account.~~

3.7.2 ~~Options Premium~~

~~The balance of the option premiums (Net Premium) to be paid by the Clearing Members pursuant to Number 2.1.1 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich and to be reimbursed by Eurex Clearing AG shall be payable by the time specified by Eurex Clearing AG on the Business Day following the conclusion of the transaction, but generally prior to the commencement of trading at Eurex Deutschland and Eurex Zürich on such Business Day.~~

3.7.3 ~~Final Settlement Price~~

~~The final settlement price of the Volatility Index Options contracts shall be determined by Eurex Clearing AG on the final settlement day (Number 2.8.5 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich) of a contract.~~

~~The average value of all index calculations of the VSTOXX® between 11:30 and 12:30 CET on the last trading day are relevant for the VSTOXX® Options contracts.~~

~~In case of extraordinary circumstances, in particular if, due to technical problems, trading is interrupted or if, due to other reasons, the price cannot be determined, Eurex Clearing AG may determine the final settlement price by another procedure.~~

3.7.4 Margin Requirements

- ~~(1) The following applies in addition to the relevant basic provisions on margin requirements set out in Chapter I:~~
- ~~(2) The applicable Margin Type shall be the Premium Margin.~~
- ~~(3) For purposes of calculating the margin requirements for all option series, the net-long positions shall be treated as credit balances.~~
- ~~(4) In addition to the Premium Margin, the Additional Margin shall apply.~~

3.7.5 Cash Settlement

- ~~(1) Exercised and assigned options positions shall be settled by payment of a netting amount which is credited to or debited from the internal cash account of the Clearing Member pursuant to Chapter I Part 1 Number 4.3.~~
- ~~(2) The cash settlement shall be determined according to the difference between the exercise price of the options series and its final settlement price. The final settlement price shall be determined by the Management Boards of the Eurex exchanges on the exercise date of the options series.~~

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

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[...]

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

[...]

3.1 Matching / Registration of Derivatives Transactions

[...]

| Product / Product Group | Currency | Execution Type | Accounts | Standard Fee per Contract (contract volume ≤ threshold) | Reduced Fee per Contract (contract volume > threshold) | Threshold (number of contracts) |
|---------------------------------|----------|----------------|----------|---|--|---------------------------------|
| [...] | | | | | | |
| Volatility Index Options | | | | | | |
| VSTOXX®-Options | EUR | Order-book | A | 0.30 | n. a. | n. a. |
| | | | P | 0.30 | n. a. | n. a. |
| | | | M | 0.30 | n. a. | n. a. |
| | | Off-book | A | 0.30 | n. a. | n. a. |
| | | | P | 0.30 | n. a. | n. a. |
| | | | M | 0.30 | n. a. | n. a. |
| [...] | | | | | | |

[...]

3.3 Position Closing Adjustments

[...]

| Product / Product Group | Fee per Contract |
|-------------------------------------|------------------|
| [...] | |
| Volatility Index Derivatives | |
| [...] | |
| VSTOXX® Options | EUR 0.60 |
| [...] | |

[...]

3.7 Exercise of Options

[...]

| Product / Product Group | Accounts | Fee per Contract |
|-------------------------------------|----------|------------------|
| [...] | | |
| Volatility Index Derivatives | | |
| VSTOXX® Options | A | EUR 0.30 |
| | P | EUR 0.30 |
| | M | EUR 0.30 |
| [...] | | |

[...]
