X-pand into the Future

e u r e x *circular 250/05*

Date: Frankfurt, December 15, 2005
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **High Priority**

1. Changes to the Quotation on Request Scheme for Euro Fixed Income Options

2. Changes to the Permanent Market Making Scheme in Euro Fixed Income Options

3. Introduction of Advanced Market Making in Euro Fixed Income Options

Related Eurex Circulars: 180/04, 020/05

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Content may be most important for:	**Attachments:**
➲ All departments	1. Application for the Granting of Market-Making Licenses at Eurex (only on the Eurex website) 2. Market-Making Obligations at Eurex (only on the Eurex website) 3. Updated Section of Eurex Price List

Summary:

In their session on November 30, 2005 the Management Boards of the Eurex Exchanges approved the following measures to further strengthen trading in euro-denominated fixed income options at Eurex:

1. Modification of Obligations for Regular Market-Making (Quotation on Request) in euro-denominated fixed income options
2. Modification of Obligations for Permanent Market-Making in euro-denominated fixed income options
3. Introduction of Advanced Market-Making in euro-denominated fixed income options

The introduction of these measures will become effective on **January 2, 2006** whereas the changes to the Price List will be valid as of **January 1, 2006**.

1. Changes to the Quotation on Request Scheme for Euro Fixed Income Options
2. Changes to the Permanent Market-Making Scheme in Euro Fixed Income Options
3. Introduction of Advanced Market-Making in Euro Fixed Income Options

1. Changes to the Quotation on Request Scheme (RMM) for Euro Fixed Income Options

The Management Boards of the Eurex Exchanges approved changes to the existing obligations for Regular Market-Making (Quotation on Request) in euro-denominated fixed income options. As of January 2, 2006 new quotation obligations as set out in attachment 2 will be applicable for Regular Market-Making.

2. Changes to the Permanent Market-Making Scheme (PMM) for Euro Fixed Income Options

The Management Boards of the Eurex Exchanges approved changes to the existing obligations for Permanent Market-Making in euro-denominated fixed income options. As of January 2, 2006 new quotation obligations as set out in attachment 2 will be applicable for Permanent Market-Making.

3. Introduction of Advanced Market-Making (AMM) in Euro Fixed Income Options

The Management Boards of the Eurex Exchanges approved the extension of the current Market-Making concept to further support continuous quotation in euro-denominated fixed income options by additionally offering Advanced Market-Making (AMM) for all such options. Status as AMM can only be granted as of the beginning of a new calendar month. Therefore, members interested in AMM are requested to submit the attached “Permanent and Advanced Market-Making Registration Form” to Eurex by the fifth last business day of a calendar month to ensure setup of their status as AMM for the following month.

Subject to fulfillment of the quotation obligations, from January 2, 2006 onwards, a refund of fees for transactions conducted on the Market Maker accounts will be granted according to the following rules:

- If the Market Maker requirements determined by the Management Boards of the Eurex Exchanges for AMM are met, transaction fees paid for trades via M-accounts (Market Maker) shall be subject to a refund such that on a monthly basis, the actual fees per contract for order matching and exercises of options on these accounts will be as cited for AMM in the Eurex Price List contained in attachment 3.
- If the requirements for AMM are not met, Eurex will evaluate in a second step whether the requirements for PMM have been met on a per product basis. If this is the case, transaction fees paid for trades via M-accounts (Market Maker) shall be subject to a refund such that on a monthly basis, the actual fees per contract for order matching and exercises of options on these accounts will be as cited in the Eurex Price List contained in attachment 3.
- If the requirements for PMM are not met, Eurex will evaluate in a third step whether the requirements for Regular Market-Making have been met on a per product basis. If this is the case, transaction fees paid for trades via M-accounts (Market Maker) shall be subject to a refund such that on a monthly basis, the actual fees per contract for order matching and exercises of options on these accounts will be as cited in the Eurex Price List contained in attachment 3.
- The Management Boards of the Eurex Exchanges approved the introduction of Advanced Market-Making in euro-denominated fixed income options at a fee level of EUR 0.02. Corresponding changes to the Eurex Price List valid as of January 1, 2006 can be found in the updated version contained in attachment 3.

The requirements for AMM, PMM and RMM and the associated registration forms can be found as attachments 1 and 2.

The updated Application for the Granting of Market Maker Licenses at Eurex is available for download from the Eurex website under the path:

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Customer Support
Tel. +49-69-211-1 17 00
Fax +49-69-211-1 17 01

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz

www.eurexchange.com > Member Section > Eurex Derivatives Forms > Market Making

The amended Market Maker Obligations are accessible via the link:

www.eurexchange.com > Member Section > Market Making

Interested members should return the completed form to Eurex Product Development, for the attention of Rex Jones at fax no. +49-69-211-1 44 61.

Frankfurt, December 15, 2005

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2 Transaction Fees of Eurex Deutschland and Eurex Zürich

For transactions pursuant to Chapter I subsection 1.5.2 of the Clearing Conditions, in connection with transactions on Eurex Deutschland and Eurex Zürich as well as with equivalent OTC options and futures transactions (Chapter I of the Clearing Conditions) Eurex Clearing AG shall charge the following fees:

2.1 Matching of Exchange Transactions / Recording of Transactions (Trade)

2.1.1 Regular Transactions

Contract	Fee per Contract A and P Accounts	Fee per Contract M-Accounts (Regular Market-Making)*	Fee per Contract M-Accounts (Permanent Market-Making)*	Fee per Contract M-Accounts (Advanced Market-Making)*
Equity Derivatives				
Stock Futures				
Futures on European, Euro-denominated Shares (except Scandinavian and Swiss Shares)	EUR 0.30			
Futures on Scandinavian Shares	EUR 0.60			
Futures on Swiss Shares	CHF 0.45			
Stock Options/LEPOs				
Options on European, Euro-denominated Shares (except Scandinavian Shares)	EUR 0.20	EUR 0.04	EUR 0.04	EUR 0.02
Scandinavian Shares	EUR 0.50	EUR 0.10	EUR 0.10	EUR 0.05
Swiss Shares	CHF 0.40	CHF 0.12	CHF 0.08	CHF 0.06
US Shares	EUR 0.30	EUR 0.09	EUR 0.06	
Equity Index Derivatives				
Futures				
Dow Jones Global Titans 50^{SM} Future	EUR 0.30			
Dow Jones Italy Titans 30^{SM} Future	EUR 0.30			
Dow Jones STOXX® 50 Future	EUR 0.30			
Dow Jones EURO STOXX® 50 Future	EUR 0.30			
Dow Jones STOXX® 600 Future	EUR 0.30			
Dow Jones STOXX® Mid 200 Future	EUR 0.30			
Dow Jones STOXX® 600 Sector Index-Futures	EUR 0.30			
Dow Jones EURO STOXX® Sector Index-Futures	EUR 0.30			
DAX® Future	EUR 0.50			
MDAX® Future	EUR 0.30			

Contract	Fee per Contract A and P Accounts	Fee per Contract M-Accounts (Regular Market-Making)*	Fee per Contract M-Accounts (Permanent Market-Making)*	Fee per Contract M-Accounts (Advanced Market-Making)*
TecDAX® Future	EUR 0.20			
SMI® Future	CHF 0.40			
SMIM® Future	CHF 0.20			
OMXH25 Future	EUR 0.90			
Options				
Dow Jones Global Titans 50 SM Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones Italy Titans 30 SM Option	EUR 0.30	EUR 0.15	EUR 0.10	EUR 0.08
Dow Jones STOXX® 50 Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones EURO STOXX® 50 Option	EUR 0.30	EUR 0.15	EUR 0.15	EUR 0.08
Dow Jones STOXX® 600 Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones STOXX® Mid 200 Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones STOXX® 600 Sector Index Options	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones EURO STOXX® Sector Index Options	EUR 0,30	EUR 0,15	EUR 0,15	
DAX® Option	EUR 0.75	EUR 0.20	EUR 0.20	EUR 0.10
TecDAX® Option	EUR 0.20	EUR 0.10	EUR 0.10	
SMI® Option	CHF 1.50	CHF 0.45	CHF 0.30	CHF 0.22
OMXH25 Option	EUR 0.90	EUR 0.60	EUR 0.60	EUR 0,30
Exchange Traded Fund Derivatives				
Futures				
DAX® EX Future	EUR 0.30			
Dow Jones EURO STOXX® 50 EX Future	EUR 0.30			
iShares Dow Jones EURO STOXX® 50 Future	EUR 0.30			
XMTCH on SMI® Future	CHF 0.50			
Options				
DAX® EX Option	EUR 0.30	EUR 0.20	EUR 0.20	
Dow Jones EURO STOXX® 50 EX Option	EUR 0.30	EUR 0.20	EUR 0.20	
iShares Dow Jones EURO STOXX® 50 Option	EUR 0.30	EUR 0.20	EUR 0.20	
XMTCH on SMI® Option	CHF 0.50	CHF 0.30	CHF 0.30	
Volatility Index Derivatives				
Futures				
VDAX-NEW® Future	EUR 0.75			
VSMI® Future	CHF 1.20			
VSTOXX® Future	EUR 0.50			
Interest Rate Derivatives				
Futures				
One-Month EONIA Future	EUR 0.25			
Three-Month EURIBOR Future	EUR 0.25			
Euro Schatz Future, Euro Bobl Future, Euro Bund Future, Euro Buxl® Future	EUR 0.20			
CONF Future	CHF 0.40			
Options				
Option on Three-Month EURIBOR Future	EUR 0.25	EUR 0.05		
Option on the Euro Schatz Future, Option on the Euro Bobl Future, Option on the Euro Bund Future	EUR 0.20	EUR 0.04	EUR 0.04	EUR 0.02

* If the Market Maker requirements determined by the Boards of Management of the Eurex Exchanges are met, transaction fees paid for trades (Market Maker) shall be subject to a refund, the actual fees for order matching on M-accounts thus amounting to the monthly total specified in the column “Fee per Contract M-Accounts”.

2.1.2 OTC Transactions

2.1.2.1 OTC Entries – Block Trades

Contract	Fee per Contract A-and P-Accounts	Fee per Contract M-Accounts (Regular Market-Making)*	Fee per Contract M-Accounts (Permanent Market-Making)*	Fee per Contract M-Accounts (Advanced Market-Making)*
Equity Derivatives				
Stock Futures				
Futures on European, Euro-denominated Shares (except Scandinavian and Swiss Shares)	EUR 0.30			
Futures on Scandinavian Shares	EUR 0.60			
Futures on Swiss Shares	CHF 0.45			
Stock Options/LEPOs				
Options of European, Euro-denominated Shares (except Scandinavian Shares)	EUR 0.20	EUR 0.04	EUR 0.04	EUR 0.02
Scandinavian Shares (incl. LEPOs)	EUR 0.50	EUR 0.10	EUR 0.10	EUR 0.05
Swiss Shares	CHF 0.40	CHF 0.12	CHF 0.08	CHF 0.06
US Shares'	EUR 0.30	EUR 0.09	EUR 0.06	
Equity Index Derivatives				
Futures				
Dow Jones Global Titans 50^{SM} Future	EUR 0.45			
Dow Jones Italy Titans 30^{SM} Future	EUR 0.45			
Dow Jones STOXX® 50 Future	EUR 0.45			
Dow Jones STOXX® 600 Future	EUR 0.45			
Dow Jones STOXX® 200 Mid Future	EUR 0.45			
Dow Jones EURO STOXX® 50 Future	EUR 0.45			
Dow Jones STOXX® 600 Sector Index Futures	EUR 0.45			
Dow Jones EURO STOXX® Sector Index Futures	EUR 0.45			
DAX® Future	EUR 0.75			
MDAX® Future.	EUR 0.45			
TecDAX® Future	EUR 0.30			
SMI® Future	CHF 0.60			
SMIM® Future	CHF 0.30			
OMXH25 Future	EUR 1.35			
Options				
Dow Jones Global Titans 50^{SM} Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones Italy Titans 30^{SM} Option	EUR 0.30	EUR 0.15	EUR 0.10	EUR 0.08
Dow Jones STOXX® 50 Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones EURO STOXX® 50 Option	EUR 0.30	EUR 0.15	EUR 0.15	EUR 0.08
Dow Jones STOXX® 600 Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones STOXX® Mid 200 Option	EUR 0.30	EUR 0.15	EUR 0.15	
Dow Jones STOXX® 600-Sector Index Options	EUR 0.30	EUR 0.15	EUR 0.15	

Contract	Fee per Contract A-and P-Accounts	Fee per Contract M-Accounts (Regular Market-Making)*	Fee per Contract M-Accounts (Permanent Market-Making)*	Fee per Contract M-Accounts (Advanced Market-Making)*
Dow Jones EURO STOXX® Sector Index Options	EUR 0.30	EUR 0.15	EUR 0.15	
DAX® Option	EUR 0.75	EUR 0.20	EUR 0.20	EUR 0.10
TecDAX® Option	EUR 0.20	EUR 0.10	EUR 0.10	
SMI® Option	CHF 1.50	CHF 0.45	CHF 0.30	CHF 0.22
OMXH25 Option	EUR 0.90	EUR 0.60	EUR 0.60	EUR 0,30
Derivatives on Exchange Traded Index Fund Shares				
Options				
DAX® EX Option	EUR 0.40	EUR 0.30	EUR 0.30	
Dow Jones EURO STOXX® 50 EX Option	EUR 0.40	EUR 0.30	EUR 0.30	
iShares Dow Jones EURO STOXX® 50 Option	EUR 0.40	EUR 0.30	EUR 0.30	
XMTCH on SMI® Option	CHF 0.70	CHF 0.50	CHF 0.50	
Volatility Index Derivatives				
Futures (Block Trades)				
VDAX-NEW® Future	EUR 1.10			
VSMI® Future	CHF 1.80			
VSTOXX® Future	EUR 0.75			
Interest Rate Derivatives				
Futures				
One-Month EONIA Future	EUR 0.25			
Three-Month EURIBOR Future	EUR 0.25			
Euro Schatz Future, Euro Bobl Future, Euro Bund Future	EUR 0.30			
Euro Buxl® Future**	EUR 0.30			
CONF Future	CHF 0.60			
Options				
Option on Euro Schatz Future, Option on Euro Bobl Future, Option on Euro Bund Future	EUR 0.20	EUR 0.04	EUR 0.04	EUR 0.02

* If the Market Maker requirements determined by the Boards of Management of the Eurex Exchanges are met, transaction fees paid for trades (Market Maker) shall be subject to a refund, the actual fees for order matching on M-accounts thus amounting to the monthly total specified in the column “Fee per Contract M-Accounts”.

The fees for the entry of a block trade in specified stocks and stock index products shall be limited as follows:

Contract	Maximum Fee per Exercise A- und P-Accounts	Maximum Fee per Exercise M-Accounts (Regular Market-Making)*	Maximum Fee per Exercise M-Accounts (Permanent Market-Making)*	Maximum Fee per Exercise M-Account (Advanced Market-Making)*	Equivalent in Number of Contracts
Equity Derivatives					
Stock Futures					
Futures on European, Euro-denominated Shares (except German, Swiss and Scandinavian Shares)	EUR 300				1,000
Futures on German Shares	EUR 600				2,000
Futures on Scandinavian Shares	EUR 1,200				2,000
Futures on Swiss Shares	CHF 800				2,000
Stock Options/LEPOs					
Options on European, Euro-denominated Shares (except German and Scandinavian Shares)	EUR 200	EUR 40	EUR 40	EUR 20	1,000
German Shares	EUR 400	EUR 80	EUR 80	EUR 40	2,000
Scandinavian Shares	EUR 1,000	EUR 200	EUR 200	EUR 100	2,000
Swiss Shares	CHF 800	CHF 240	CHF 160	CHF 120	2,000
US Shares	EUR 300	EUR 90	EUR 60		1,000
Equity Index Derivatives					
Options					
Dow Jones Global Titans 50^{SM} Option	EUR 600	EUR 300	EUR 300		2,000
Dow Jones Italy Titans 30^{SM} Option	EUR 600	EUR 300	EUR 200	EUR 160	2,000
Dow Jones STOXX® 50 Option	EUR 600	EUR 300	EUR 300		2,000
Dow Jones EURO STOXX® 50 Option	EUR 600	EUR 300	EUR 300	EUR 160	2,000
Dow Jones STOXX® 600 Option	EUR 600	EUR 300	EUR 300		2,000
Dow Jones STOXX® Mid 200 Option	EUR 600	EUR 300	EUR 300		2,000
Dow Jones STOXX® 600-Sector Index-Options	EUR 600	EUR 300	EUR 300		2,000
Dow Jones EURO STOXX®-Sector Index-Options	EUR 600	EUR 300	EUR 300		2,000
DAX® Option	EUR 1500	EUR 400	EUR 400	EUR 200	2,000
TecDAX® Option	EUR 400	EUR 200	EUR 200		2,000
SMI® Option	CHF 3,000	CHF 900	CHF 600	CHF 440	2,000
OMXH25 Option	EUR 1,800	EUR 1,200	EUR 1,200	EUR 600	2,000

* If the Market Maker requirements determined by the Boards of Management of the Eurex Exchanges are met, transaction fees paid for exercise (Market Maker) shall be subject to a refund, the actual fees for exercises on M-accounts thus amounting to the monthly total specified in the column “Maximum Fee per Exercise M-Accounts”.

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