X-pand into the Future

eurex circular 078/16

Date: 2 September 2016
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

⚠ **High priority**

Option contracts on Exchange Traded Funds (EXTF options): Abolishment of exercise limitations

Related Eurex Circulars: 162/12

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Content may be most important for:	**Attachment:**
➲ All departments	Amended sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich AG

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided, effective **7 September 2016**, to abolish the exercise limitations for options contracts on Exchange Traded Funds (EXTF options). This amendment applies to all American style EXTF options whose underlying securities are traded in the electronic trading system of the Frankfurter Wertpapierbörse.

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

2. Part: Contract Specifications for Options Contracts

[...]

2.5 Subpart: Contract Specifications for Options Contracts on Shares of Exchange-Traded Funds (EXTF-Options)

The following subpart contains contract specifications for Options Contracts shares of exchange-traded funds ("EXTF-Options).

[...]

2.5.5 Last Trading Day, Close of Trading

The last trading day of an option series of an options contract shall generally be the day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day of an EXTF-Option shall generally be the third Friday of the relevant month; provided, however, that if such Friday is not an exchange day, the last trading day shall be the exchange day prior to such Friday.

~~If an exercise in an option series is not possible pursuant to the provisions of subsection 2.5.11 (1), the exchange day prior to such day shall be the last trading day.~~

The close of trading on the last trading day shall be the regular close of trading in the relevant EXTF-Options in the EDP system of the Eurex Exchanges.

2.5.6 Expiration Day

The expiration day of an option series shall generally be the exchange day following the last trading day~~; provided, however, that if, due to the dividend payout day or a tax deduction, the last trading day has been changed in accordance with the above rules, (subsection 2.5.5 sentence (3), the expiration day shall be the second exchange day following the last trading day~~.

[...]

2.5.11 Exercise

(1) EXTF options on iShares, CS, Lyxor or Source ETFs may be exercised by the purchaser on any exchange day until the end of the Post Trading Full Period (American-style).

~~For EXTF-Options the underlying security of which is traded in the electronic trading system of the Frankfurt Stock Exchange this shall be applicable with the exception of the day preceding the day of the dividend payout. If the day of the dividend payout is not an exchange day, the options in question may not be exercised on the exchange day preceding such day.~~

The last exercise day shall generally be the last trading day (subsection 0).

(2) EXTF options on db x-trackers ETFs may be exercised by the purchaser only on the final settlement day (European style).

The final settlement day is the exchange day following the last trading day (Number 0).

[...]

[...]

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