X-pand into the Future

eurex circular 143/13

Date: 28 June 2013
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Michael Peters

Amendment to the Exchange Rules for Eurex Deutschland and Eurex Zürich

Contact: Mariam Güllner (Markets Legal), T +49-69-211-1 29 64

Content may be most important for:	**Attachment:**
➲ All departments	Amendment Ordinance to the Exchange Rules for Eurex Deutschland and Eurex Zürich

On **1 July 2013**, an amended version of the Exchange Rules for Eurex Deutschland and Eurex Zürich will become effective. The amendments refer to the following regulations:

- Editorial amendment of § 14 (Position Limits) and extension of aggregation provisions,
- Deletion of provision regarding the trading locations principle in § 33 paragraph 1,
- Addition of an exemption clause in § 50 (Admission of an Exchange Trader).

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

T +49-69-211-1 17 00
F +49-69-211-1 17 01
memberservices@
eurexchange.com
Internet:
www.eurexchange.com

Management Board:
Thomas Book, Michael Peters,
Andreas Preuss, Peter Reitz,
Jürg Spillmann

ARBN: 101 013 361

Forth Amendment Ordinance to the Exchange Rules for Eurex Deutschland and Eurex Zürich

On 11 June 2013, the Exchange Council of Eurex Deutschland has decided on the following forth Amendment Ordinance:

Article 1 Amendment to the Exchange Rules for Eurex Deutschland and Eurex Zürich in the version dated 1 August 2011, as amended by the Third Amendment Ordinance dated 1 February 2013

The Exchange Rules for Eurex Deutschland and Eurex Zürich will be amended as follows:

****

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

III. Section General Conditions

1. Sub-Section Exchange Trading

[…]

§ 14 Position Limits

(1) The Board of Management of Eurex Deutschland or Eurex Zürich may set or alter position limits in order to ensure orderly futures and options trading and to avoid risks for the spot markets (Kassamärkte). Exchange Participants shall be notified of such determination of position limits allowing for a reasonable period of time.

(2) A position limit is a maximum number of contracts in the relevant products which an Exchange Participant is permitted to ~~that may be~~ hoeld ~~by one Exchange~~

~~Participant~~ for its own account or for one of its customers. If several positions relating to the same position limit form a total position, every Exchange Participant involved may hold the respective positions for its own account or for a customer only if the total position does not exceed the position limit. ~~If companies, Exchange Participants or their customers cooperate, their positions shall be added together when calculating the position limits. Position limits are related to products.~~

~~Positions of Exchange Participants or one of their customers in the Eurex trading system which – in case of execution – authorise them to receive the respective underlying in accordance with the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich shall be taken into account for the position limits.~~

Several Positions relating to the same position limit may, in the following situations, be considered a total position:

1. Positions held for the same customer by several Exchange Participants.

2. Positions which an Exchange Participant holds for its own account and positions which the Exchange Participant holds while being another Exchange Participant's customer,

3. Positions which an Exchange Trader or other agent of one or more Exchange Participants may dispose of or which such Exchange Trader or other agent can control in a different way, irrespective of whether or not the positions are held by one or more Exchange Participants for their own accounts or for one or more customers.

4. Positions with regard to which one or more Exchange Participants or one or more of their customers coordinate their actions or cooperate with each other in any other way.

5. Positions which, in the opinion of the Management Board of Eurex Deutschland or of Eurex Zürich, ought to be considered a total position in order to ensure an orderly futures and options trading or to avert danger from the cash markets.

(3~~2~~) An Exchange Participant may not ~~for its own account or for the account of any customer~~ engage in any transactions ~~at the Eurex Exchanges~~ if ~~there is any indication that, as a consequence of such transactions, such Exchange Participant or its customer, whether alone or jointly with others, would hold or control a total position in excess of the position limits set by the Board of Management of Eurex Deutschland or Eurex Zürich, as the case may be.~~

1. this would result in exceeding a position limit,

2. the position limit has already been exceeded, and if the transaction leads to a further increase in the relevant position or in the total position, or

3. there are indications of an excess according to Nr. 1 or an increase according to Nr. 2.

(4) If a position limit is exceeded ~~pursuant to aforementioned provisions~~ or if, in the opinion of the Management Board of Eurex Deutschland or of Eurex Zürich, there are indications of a position limit having been exceeded, ~~the~~ each Exchange Participant holding the relevant position or parts of the relevant total position for its own account or for the account of one of its customers is obligated to immediately reduce the relevant~~spective~~ position or the relevant parts of the total position by such an amount as is necessary to discontinue the exceeding of~~to~~ the position limit. The Exchange Participant undertakes to obtain the consents ~~of its customer~~for a position reduction, in case such consents ~~is~~ are necessary, and to have them available at any time.

If ~~the~~ an Exchange Participant fails to fulfil its obligation to reduce the position within ~~the~~ a period of time determined by the Management Board, the Management Boards of ~~the~~ Eurex ~~Exchanges~~ Deutschland or Eurex Zurich shall – by carrying out the relevant entries in the Eurex trading system ~~–~~ reduce the relevant~~spective~~ positions to such an extent as is necessary to discontinue the exceeding of the position limit or to thwart any indication of a position limit being exceeded~~the limit on behalf and for account of the participant~~.

(5) If the positions kept on the customer position accounts of an Exchange Participant as a whole exceed the position limit, the Exchange Participant has to prove to the Trading Surveillance Office of Eurex Deutschland or to the Independent Surveillance Eurex of Eurex Zürich respectively, that ~~none of the beneficiary owner of its~~ the relevant customers' positions ~~holds a position exceeding~~are within the position limits.

Upon request by the Trading Surveillance Office of Eurex Deutschland or the Independent Surveillance Eurex of Eurex Zürich respectively, an Exchange Participant must provide evidence with regard to a single or to all of the individual positions of its customer account and with regard to the relevant customers, even independently from a position limit being exceeded.

To provide this evidence, the Exchange Participant shall immediately – with regard to fixed-income products, until 2 p.m. CET of a trading day – provide~~, to the extent permitted by statute,~~ the Trading Surveillance Office of Eurex Deutschland or the Independent Surveillance Eurex of Eurex Zürich respectively with information about the relevant~~spective~~ positions and the relevant customers ~~of the several beneficiary owners~~ at the end of the previous trading day. ~~The information must, to the extent permitted by statute, guarantee an allocation of the respective positions to the beneficiary owner of the positions.~~ On the last trading day before expiry of a contract, these details shall be provided until 10 a.m. CET.

(6) The Management Board of Eurex Deutschland or Eurex Zurich respectively may determine that the relevant Exchange Participant must notify its customer positions to the Trading Surveillance Office of Eurex Deutschland or to the Independent Surveillance Eurex of Eurex Zürich respectively if such positions exceed a specific percentage of the position limit.

(~~7~~3) The Trading Surveillance Office of Eurex Deutschland and the Independent Surveillance Eurex of Eurex Zürich examine all positions of an Exchange Participant, including Agent Position Accounts, to verify compliance with the position limits. For this purpose, the Board of Management may use the services of a suitable auditor § 3 Paragraph 3 Clause 2 shall apply mutatis mutandis in all other respects.

[…]

IV. Section Exchange Participants

[…]

3. Sub-Section Obligations for Enterprises arising from Admission

§ 33 Trading Locations

~~(1) Exchange Participants may install such parts of the participant front-end equipment which are used for entering data into the Electronic Trading System of the Eurex Exchanges, in their business premises only.~~

(~~1~~2) When applying for admission or upon admission – at least two weeks prior to commencement of business – an Exchange Participant must notify the Board of Management of the Exchange of its trading locations. Furthermore, the Exchange Participant must notify any changes with regard to:

- the relocation of trading locations;
- additional trading locations;
- the closure of trading locations.

(~~2~~3) Any notification according to Paragraph ~~1~~2 must contain the address of such trading locations.

(~~3~~4) The Board of Management may permit the joint utilisation of business premises for trading at the Eurex Exchanges upon application by the Exchange Participants involved in such joint utilisation.

(~~4~~5) If the new trading locations are in a country other than the original trading locations, it must be ensured that Eurex Deutschland and / or Eurex Zürich are permitted to operate trading screens for trading at the Eurex Exchanges in such country. The Eurex Exchanges shall provide a list of acceptable countries upon request. Furthermore, the notification according to Paragraph ~~1~~2 must contain additional information with regard to the compliance of the intended operation with the rules and regulations of the respective country.

[…]

6. Sub-Section Exchange Trader

§ 50 Admission as an Exchange Trader

(1) Exchange Traders shall be admitted upon application by the respective Eurex Exchange if they are reliable and have the necessary professional qualifications. The professional qualifications shall be presumed if evidence of the necessary technical knowledge and experience is provided which qualifies the applicant for options and futures trading at the respective Eurex Exchange. In particular, the passing of an Eurex Exchange Trader examination shall constitute evidence of the necessary technical knowledge.

(2) The admission procedure for Exchange Traders is regulated by the Admission Regulations for Exchange Traders at Eurex Deutschland.

(3) The rules and regulations contained in the Admission Regulations shall apply to Eurex Zürich mutatis mutandis.

(4) On Eurex Deutschland or Eurex Zürich respectively, a person may be authorized to act as an Exchange Trader for no more than one company. The Management Boards of the Eurex Exchanges may make exceptions to this rule whenever an Exchange Participant outsources its trading infrastructure to a third party that provides this type of service for several Exchange Participants and is subject to regulatory requirements which appropriately regulate any conflicts of interest arising therefrom. These include:

- basic principles regarding the disclosure of conflicts of interest, either to the supervisory authorities or to the customer;
- the legal relationship between the Exchange Trader, or its employer respectively, and the Exchange Participant, such legal relationship resulting in a number of duties of good faith arising to the Exchange Trader vis-à-vis the Exchange Participant;
- basic principles regarding the execution of orders which ensure that each customer will receive the best price and that no customer has disadvantages in comparison to any other customer.

An Exchange Participant which provides trading services as a third party within the meaning of Clause 2 for other Exchange Participants must not be involved in trading in its own name and for its own account at the Eurex Exchanges.

(5) […]

[…]

Article 2 Effective Date

Article 1 shall take effect on 1 July 2013.