

Eurex Bonds Pricing Model

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1 Introduction

The pricing model in its respectively valid version is – as provided in §5 (1) of the connection agreement – a part of the connection agreement between Eurex Bonds GmbH and the Market Participants of Eurex Bonds.

All fees according to this pricing model are net fees. Since value added taxes vary for different services and member locations, they are calculated individually for each service and each member location and is reflected on the Eurex Bonds invoices.

2 Pricing Model

The Eurex Bonds Pricing Model includes four different types of fees: annual fee, transaction fees, connection fees and training fees.

2.1 Annual Fee

Eurex Bonds charges an annual fee for providing the software, the releases and technical and functional support.

- All Eurex Bonds members are charged an annual fee of EUR 25,000.

The annual fee is billed once a year and is included on the January invoice for the current calendar year. Payment must be made within the timeframe stated on the invoice. In the first year of membership the annual fee is pro rated on a quarterly basis, to include the quarter in which successful connection to the Eurex Bonds trading platform is first established (e.g. a participant who is successfully connected in November would pay 25% of the annual fee, a participant connected in March would pay the full annual fee).

2.2 Transaction Fees

The transaction fees per million traded volume for a given trade are calculated monthly and depend on three factors:

- Accumulated volume in the current month
- Market Maker / Non-Market Maker (per segment)
- Aggressor / Non-Aggressor (on a per trade level)

Transaction fees are calculated on the basis of the nominal value of each cash bond trade and cash leg out of a basis trade.

2.2.1 Accumulated Volume

For each member the volume of all trades (Quotebook and trades entered via the pre-arranged trade facility) within a month are accumulated. All segments are included in this total. Depending on the volume accumulated, each trade receives a certain discount level according to the table in section 2.2.4. Currently three levels are distinguished:

- Level 1: € 0 billion to € 2 billion traded nominal volume
- Level 2: > € 2 billion to € 4 billion traded nominal volume
- Level 3: > € 4 billion traded nominal volume

If the accumulated volume without the current trade is in one discount level and the volume including this trade is in the next discount level the trade is partitioned into two parts each of which lies completely within one discount level.

For example if a member who has a total volume of € 1.990 billion in this month makes a trade of € 40 million then this trade is split into one part sized € 10 million which receives discount level 1 and one part sized € 30 million which receives discount level 2.

2.2.2 Market Maker / Non-Market Maker

A member is considered a market maker for a given segment if he is registered as a market maker for this segment and also fulfills the market making obligations defined by Eurex Bonds for this segment. If both conditions are fulfilled then the trades for this segment are charged at the market maker rates according to the table in section 2.2.4. If a member is either not registered as a market maker for this segment or if he did not fulfill the market making obligations as defined by Eurex Bonds, then the trades for this segment and this month are charged at the non-market maker rates according to the table in section 2.2.4.

2.2.3 Aggressor / Non-Aggressor

The “non-aggressor” is the counterparty which has entered first the quote into the system. The “aggressor” is the counterparty which accepts the existing quote either by entering an order or by entering a quote.

For pre-arranged trades (done within the pre-arranged trade facility) both counterparties are considered aggressors.

The rate for the trade is charged according to the table in section 2.2.4.

2.2.4 Pricing Table

		Market Maker (fulfilling)		**Non-Market Maker**	
	Turn-over (per month)	Non-Aggressor	Aggressor	Non-aggressor	Aggressor
Level 1	€ 0 bn - € 2 bn	5 *	9 *	9 *	12 *
Level 2	> € 2 bn - € 4 bn	4 *	6 *	6 *	10 *
Level 3	> € 4 bn	2 *	4 *	4 *	8 *

*) Euro per million traded volume (nominal value)

2.2.5 Additional Regulations

Members can change their registration for market making on a monthly basis. A change regarding their market making registration will take effect the first day of the following month, if requested by mail or e-mail to Eurex Bonds no later than 5 working days before the end of the current month.

The integrated clearing functionality is an additional service by Deutsche Börse Group and is charged separately by Eurex Clearing. Furthermore, fees for futures leg execution of basis trades are charged separately by Eurex Clearing AG.

Eurex Bonds transaction fees are charged to the trading members of Eurex Bonds directly, regardless of whether the member is a Eurex Clearing member or not.

Eurex Bonds transaction fees are not linked to any Exchange Fees of the exchanges of Deutsche Börse Group (e.g. Xetra) and cannot be offset against any such exchange fees.

2.3 Xetra Connection Prices

Access to the Eurex Bonds platform requires access to the Xetra network of Deutsche Börse Group. If an already existing Xetra line is utilized to access the Eurex Bonds trading platform, no additional line fees will be charged. Otherwise, Eurex Bonds charges connection prices that are differentiated according to the connection alternative selected.

Table 1: Connection prices for trading on the Eurex Bonds trading platform

Connection component	Price	
Single 128 KB/s leased line	1,500	EUR/month/participant
128 KB/s internet connection*	750	EUR/month/participant
@Xetra workstation	1,000	EUR/month/workstation

* If an internet connection is selected, the participant is to select a provider of his own choice for internet access and bear the resulting costs.

For connection with one leased line, an additional back-up connection is required in all cases. The back-up connection must have the same bandwidth as the principal line. This provides four connection alternatives as basic technical infrastructure: i) usage of two leased lines, ii) one leased line and one internet connection, iii) an internet connection or iv) an @Xetra workstation.

Cancellation of connection components is possible with three months‘ notice, effective at the end of the month. A change in connection alternative or connection location is charged a one-off fee of € 3,000.-.

2.4 Training Fees

Participants in Eurex Bonds are offered different training possibilities:

- Functional training for traders
- Technical training for system administrators

Training fees are currently sponsored by Eurex Bonds.

2.5 Excessive System Usage

For excessive system usage the regulations specified in Eurex Bonds Circular 16/03 apply. Eurex Bonds reserves the right to adjust the indicated parameters based upon the actual market situation. In the event of a parameter change, market participants will be informed in due time by means of a Eurex Bonds circular.

Currently, Eurex Bonds does not apply the excessive system usage pricing scheme. Eurex Bonds reserves the right to activate this scheme by informing market participants within an appropriate time frame.

3 Closing Remarks

Eurex Bonds reserves the right to introduce changes or enhancements to this pricing model. Changes and enhancements will be announced 6 weeks in advance in accordance with Article 5 of the connection agreement.

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