26 October 2017

Eurex Exchange's MiFID II/MiFIR & T7 release 6.0 readiness news

Dear Eurex participant,

With the inclusion of Market Making in the German MiFID II implementation Act, the 2nd. FiMaNoG (new BörsG §26c (1)), a new regulatory requirement has been introduced. As of January 2018, Market Making will be covered under public law. Eurex has implemented the resulting requirements as "Regulatory Market Making" (RMM). There will be no incentives associated with RMM. All trading participants that satisfy the requirement of the Commission Delegated Regulation (CDR) (EU) 2017/578 (former RTS 8) Art. 1 need to undergo a formal admission process and need to apply for admission as Regulatory Market Maker by end of February 2018. A draft admission form is provided here. Eurex will offer Report TD983 in December, which outlines whether you fulfil said quotation requirements. If you are unsure if your company may be affected, please contact customer.readiness@eurexchange.com. We kindly ask you to provide your legal department with the draft admission form. The final admission form will be available end of November. Please send the signed admission form (original) until the end of February 2018 to:

Eurex Frankfurt AG, Olga May, Mergenthalerallee 61, 65760 Eschborn, Germany

In addition, Eurex will keep the current model for commercial Market Maker incentives (rebates) that operates under a civil law framework. However, as of January 2018, this model will be renamed into Liquidity Provision (LP). Trading participants who want to be able to receive Liquidity Provider incentives (currently named: "Market Maker incentives"), will first have to become a Liquidity Provider by signing a respective framework agreement. The Liquidity Provider Agreement is already available. To make sure that you continue to receive the former Market Maker incentives / future Liquidity provider incentives from January 2018 onwards, please provide us with the signed Liquidity Provider Agreement as soon as possible. Please send the signed agreement (original) to:

Eurex Frankfurt AG, Olga May, Mergenthalerallee 61, 65760 Eschborn, Germany

For further information about the redesign of Eurex Market Making in the context of MiFID II, please visit our website. In the section Market Making, we have published all the relevant documentation for our trading participants. If you have any further questions, please do not hesitate to contact us at customer.readiness@eurexchange.com.

Implementation timeline

- Monday, 28 August 2017: Availability of T7 release 6.0 via the T7 Cloud Simulation
- Monday, 18 September 2017: Availability of upload functionality for IDs (National ID, Client ID, etc.) in the Member Section

- Monday, 25 September 2017: Availability of T7 release 6.0 in the regular simulation environment
- Thursday, 28 September 2017: Availability of the Selective RFQ Service in the simulation
- Monday, 4 December 2017: Go-Live of T7 release 6.0
- Wednesday, 6 December 2017: Go-Live of the Selective RFQ Service

Recommendations

- Please participate in the T7 6.0 simulation environment as soon as possible.
- Align with your ISV regarding your required features and timelines.
- Setup responsibilities and processes for the provision of the required provision of reference data (who is in charge to upload IDs, who is in charge to monitor missing IDs that need to be uploaded).
- Request required IDs from your clients (LEIs and/or national IDs).
- If you have not yet registered a release contact or regulatory coordinator in the Member Section, we kindly ask you to do so.

All publications and readiness updates are published on the T7 release 6.0 as well as MiFID II / MiFIR initiatives pages.

If you have any further questions or comments please do not hesitate to contact your Key Account Manager or send an e-mail to customer.readiness@eurexchange.com.

Kind regards
Your Customer Readiness Team

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