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Eurex Clearing

Adjustment of Liquidity Provisioning rebates and volume rebates: Amendments to the Price List of Eurex Clearing AG

Eurex Clearing Circular 117/20 Adjustment of Liquidity Provisioning rebates and volume rebates: Amendments to the Price List of Eurex Clearing AG

1. Introduction

In the context of an update of Eurex Liquidity Provider requirements for Equity Options, rebates for liquidity provisioning in Equity Options will be adjusted. Furthermore, volume rebates in Equity Index Options and Equity Options will be adjusted and the rebate structure simplified.

The updated liquidity provisioning rebates in Equity Options and the corresponding amendments to the Price List of Eurex Clearing AG (Price List) will come into effect as of **1 February 2021**.

The updated volume rebates in Equity Index Options and Equity Options and the corresponding amendments to the Price List will come into effect as of **1 March 2021**.

For detailed trading-related information regarding the update of Eurex Liquidity Provider requirements for Equity Options, please refer to Eurex circular 102/20.

2. Required action

Market participants should ensure that their internal processes and technical interfaces are updated in order to process the amended fees properly.

3. Details of the initiative

A. Adjustment of liquidity provisioning rebates in Equity Options

To accompany the update of Eurex Liquidity Provider requirements for Equity Options, rebates for liquidity provisioning in Equity Options will be adjusted. The changes to the rebate levels for transactions executed in the order book on the basis of the building block methodology of the LPA will apply as listed in Table 1 in Attachment 1.

To reflect the amendments related to the adjustment of liquidity provisioning rebates in Equity Options, the following provisions of the Price List shall be amended as outlined in Attachment 2:

- ◆ Number 3.2.1 of the Price List

The measures related to the adjustment of liquidity provisioning rebates in Equity Options will become effective as of **1 February 2021**.

B. Adjustment and simplification of volume rebates in Equity Index Options and Equity Options

The volume rebate structure in Equity Index Options and Equity Options will be simplified by:

- ◆ accumulating transactions executed via order book, TES and/or Eurex EnLight per product group when calculating Eligible Volume and
- ◆ reducing the number of volume tiers from 5 to 4.

In addition, the volume rebate thresholds will be recalibrated and the volume rebate levels adjusted.

Please refer to Table 2 in Attachment 1 for the thresholds and rebate levels for **Equity Index Options**.

Please refer to Table 3 in Attachment 1 for the thresholds and rebate levels for **Equity Options**.

To reflect the amendments related to the adjustment and simplification of volume rebates in Equity Index Options and Equity Options, the following provisions of the Price List shall be amended as outlined in Attachment 3:

- ◆ Number 3.2.2 of the Price List

The measures related to the adjustment and simplification of volume rebates in Equity Index Options and Equity Options will become effective as of **1 March 2021**.

As of the effective dates, the full version of the amended Price List will be available for download on the Eurex Clearing website www.eurex.com/ec-en/ under the following link:

Clear > Rules & Regs > Rules and Regulations > Price List

The changes and amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first ten (10) Business Days after publication. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions of Eurex Clearing AG, as applicable.

Attachments:

- ◆ 1 – Table 1: Adjusted liquidity provisioning rebates for Equity Options, Table 2: Adjusted thresholds and rebate levels for Equity Index Options, Table 3: Adjusted thresholds and rebate levels for Equity Options
- ◆ 2 – Amended sections of the Price List: Number 3.2.1
- ◆ 3 – Amended sections of the Price List: Number 3.2.2

Further information

Recipients: All Clearing Members, all FCM Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, vendors and other affected contractual parties

Target groups: Front Office/Trading, Middle + Backoffice, IT/System Administration, Auditing/Security Coordination

Related circular: Eurex Circular 102/20

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Further information

- [Attachment 1 to Eurex Clearing circular 117/20](#)
- [Attachment 2 to Eurex Clearing circular 117/20](#)
- [Attachment 3 to Eurex Clearing circular 117/20](#)

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Table 1:

Changes to rebate levels for transactions executed in the order book on the basis of the building block methodology of the LPA for **Equity Options**

Execution Type	Building Blocks	Liquidity Class 1	Liquidity Class 2	Liquidity Class 3
Order Book	Basis	15% 5%	20% 10%	50% 30%
	Package	20%	20%	20%
	Strategy	15%	15%	0%
	Larger Size	20%	20%	20%
	Tighter Spread	10% 20%	10% 20%	0% 20%
	Total	80%	85%	90%

Table 2:

Adjusted thresholds and rebate levels for **Equity Index Options**

Execution Type		Tier 1	Tier 2	Tier 3	Tier 4
Order book, TES and/or Eurex EnLight	Threshold	100,000	250,000	600,000	1,300,000
	Rebate Level LC 1	15%	20%	25%	30%
	Rebate Level LC 2	25%	35%	45%	55%
	Rebate Level LC 3	35%	50%	65%	80%

Table 3:

Adjusted thresholds and rebate levels for **Equity Options**

Execution Type		Tier 1	Tier 2	Tier 3	Tier 4
Order book, TES and/or Eurex EnLight	Threshold	50,000	200,000	400,000	600,000
	Rebate Level LC 1	10%	15%	20%	25%
	Rebate Level LC 2	20%	30%	40%	50%
	Rebate Level LC 3	30%	45%	60%	75%

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

3 Transaction Fees for Derivatives Transactions (Order Book Transactions and Off-Book Transactions on the Eurex Exchange)

[...]

3.2 Rebates

[...]

3.2.1 Rebates for the Liquidity Provisioning

[...]

3.2.1.1 Rebates for the Liquidity Provisioning in Options

(1) The rebate levels for the provisioning of liquidity per execution type and product group on the basis of the building block methodology of the LPA are as follows:

[...]

b. Equity Options with Group ID ending in "11", "12", "13" or "14" as assigned in Annex B of the Eurex Contract Specifications:

Execution Type	Building Blocks	Liquidity Class 1	Liquidity Class 2	Liquidity Class 3
Order book	Basis	45 <u>55</u> %	20 <u>10</u> %	50 <u>30</u> %
	Package	20%	20%	20%
	Strategy	15%	15%	0%
	Larger Size	20%	20%	20%
	Tighter Spread	40 <u>20</u> %	40 <u>20</u> %	0 <u>20</u> %
	Total	80%	85%	90%
Eurex EnLight	Basis	20%	25%	45%
	Package	20%	20%	20%
	Strategy	15%	15%	0%
	Eurex EnLight	10%	10%	10%
	Total	65%	70%	75%

TES	Basis	10%	15%	35%
	Package	20%	20%	20%
	Strategy	15%	15%	0%
	Eurex EnLight	10%	10%	10%
	Total	55%	60%	65%

[...]

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

3 Transaction Fees for Derivatives Transactions (Order Book Transactions and Off-Book Transactions on the Eurex Exchange)

[...]

3.2 Rebates

[...]

3.2.2 Volume Rebates

[...]

3.2.2.3 Volume Rebates in Options

(1) When calculating Eligible Volume for Equity Index Options and Equity Options, transactions executed via order book ~~are separately considered per product group, while TES and/or Eurex EnLight transactions~~ are accumulated per product group. When calculating Eligible Volume for Interest Rate Options, transactions executed via order book are separately considered, while transactions executed via TES and/or Eurex EnLight are accumulated.

(2) The thresholds and rebate levels per execution type and product group as applied in Number 3.2.2.1 Paragraph (8) are listed in the following tables:

a. Equity Index Options:

Execution Type		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Order book, <u>TES</u> and/or <u>Eurex EnLight</u>	Threshold	100,000	200 <u>250</u> ,000	400 <u>600</u> ,000	600 <u>1,300</u> ,000	800 ,000
	Rebate Level LC 1	15%	30 <u>20</u> %	45 <u>25</u> %	60 <u>30</u> %	75%
	Rebate Level LC 2	20 <u>25</u> %	35%	50 <u>45</u> %	65 <u>55</u> %	80%
	Rebate Level LC 3	25 <u>35</u> %	40 <u>50</u> %	55 <u>65</u> %	70 <u>80</u> %	85%

Execution Type		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
TES and Eurex EnLight	Threshold	100,000	200,000	400,000	800,000	1,200,000
	Rebate Level LC 1	15%	25%	30%	35%	40%
	Rebate Level LC 2	20%	30%	35%	40%	45%
	Rebate Level LC 3	25%	35%	40%	45%	50%

b. Equity Options:

Execution Type		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Order book, TES and Eurex EnLight	Threshold	50,000	200,000	400,000	600,000	800,000
	Rebate Level LC 1	15%	30%	45%	60%	75%
	Rebate Level LC 2	20%	35%	50%	65%	80%
	Rebate Level LC 3	25%	40%	55%	70%	85%
TES and Eurex EnLight	Threshold	100,000	200,000	400,000	600,000	800,000
	Rebate Level LC 4	15%	25%	30%	35%	40%
	Rebate Level LC 2	20%	30%	35%	40%	45%
	Rebate Level LC 3	25%	35%	40%	45%	50%

[...]

[...]
