

28 Jan 2022
Eurex Clearing

Equity index derivatives: Introduction of Eurex Daily Futures on KOSPI 200 Weekly Options

Eurex Clearing Circular 001/22 Equity index derivatives: Introduction of Eurex Daily Futures on KOSPI 200 Weekly Options

1. Introduction

Effective **28 March 2022**, Eurex Clearing will offer clearing services for Daily Futures on KOSPI 200 Weekly Options (OKW1/3/4/5) introduced at Eurex Deutschland.

In this context, the following measure will apply effective **28 March 2022**:

- ◆ Amendments of the Price List of Eurex Clearing AG (Price List) regarding the inclusion of Daily Futures on KOSPI 200 Futures.

The following provisions will be amended as outlined in Attachment 2:

- ◆ Numbers 3.1 and 3.2.1.2 of the Price List.

The simulation environment is planned to be available from **25 February 2022**.

Please refer to Eurex circular 006/22 for detailed trading-related information as well as the amendments of the relevant Rules and Regulations of Eurex Deutschland.

Simulation start: 25 February 2022

Production start: 28 March 2022

2. Required action

Similar Korean won (KRW) products are currently traded on the Eurex/KRX Link:

- ◆ Daily Futures on KOSPI 200 Options (OKS2)

- ◆ Daily Futures on Mini-KOSPI 200 Futures (FMK2)
- ◆ Daily Futures on KOSPI 200 Futures (FBK2).

The requirement for Clearing Members is the same as for clearing the existing Eurex KOSPI products, i.e. having a KRW payment infrastructure ready prior to the activation for clearing the KRW capacity. Therefore, for Clearing Members who already clear KOSPI products, no additional action is required.

For Clearing Members who currently do not clear existing KOSPI products and would like to do so, the required action is to follow existing onboarding procedures to set up a clearing account in KRW. For this purpose, please contact your Clearing Key Account Manager or write to client.services@eurex.com.

Clients are encouraged to participate in the simulation phase.

3. Details

A. Product overview

For the product overview please refer to the table in Attachment 1.

B. Contract specifications

For the detailed contract specifications, please refer to Eurex circular 006/22.

C. Product group

The product group for the new products is as described in the table in Attachment 1.

D. Transaction fees

The fees for the new Daily Futures on KOSPI 200 Weekly Options can be retrieved from the updated sections of the Price List, as outlined in the Attachment 2.

E. Simulation

Starting **25 February 2022**, the new product will be available in the Eurex simulation environment for testing purposes. For further information, please refer to the simulation calendar on the Eurex website www.eurex.com under the following link:

Support > Initiatives & Releases > Simulation calendar

F. Risk parameters

Margins for the new products are calculated in Prisma. For the risk parameters of the new products, please refer to the Eurex Clearing website www.eurex.com/ec-en/ under the link:

Services > Risk parameters

As of the effective date, the full version of the amended documents will be available for download on the Eurex Clearing website under the following link:

Rules & Regs > Eurex Clearing Rules and Regulations > Clearing Conditions

The 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 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. Tables: 3. Details: A. Product overview, C. Product group
2. Amended sections of the Price List of Eurex Clearing AG

Further information

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

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

Contact: client.services@eurex.com

Related circular: Eurex circular 006/22

Web: www.eurex.com/en-ec/

Authorized by: Jens Janka

Further information

[↓ Attachment 1 to Eurex Clearing circular 001/22](#)

[↓ Attachment 2 to Eurex Clearing circular 001/22](#)

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A. Product overview

Product name	Product ID	Currency	Index type	Product ISIN	Underlying Bloomberg
Daily Futures on KOSPI 200 Weekly Options Week 1	OKW1	KRW	Price	DE000A3DCWM1	WKOSPI2A
Daily Futures on KOSPI 200 Weekly Options Week 3	OKW3			DE000A3DCWN9	WKOSPI2C
Daily Futures on KOSPI 200 Weekly Options Week 4	OKW4			DE000A3DCWP4	WKOSPI2D
Daily Futures on KOSPI 200 Weekly Options Week 5	OKW5			DE000A3DCWQ2	WKOSPI2E

C. Product group

The product group for the new products is as follows:

Product	Product group	Settlement location	Regulatory status	Settlement type	Product type	Product segment	Product currency	Capacity name
Daily Futures on KOSPI 200 Weekly Options Week 1/3/4/5	E/I Options in KRW	cash	Not approved for trading in the U.S.	Derivative	F	Equity index	KRW	Cash KRW

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)

[...]

3.1 Matching / Registration of Derivatives Transactions

[...]

Product / Product Group	Currency	Execution Type	Accounts	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold (number of contracts)
[...]						
Equity Index Derivatives						
Equity Index Futures						
[...]						
Eurex Daily Futures Contracts on KOSPI 200 <u>Monthly</u> Options	KRW	Order book	A	0.04%	n. a.	n. a.
			P	0.04%	n. a.	n. a.
			M	0.04%	n. a.	n. a.
		TES	A	0.04%	n. a.	n. a.
			P	0.04%	n. a.	n. a.
			M	0.04%	n. a.	n. a.
Eurex Daily Futures Contracts on KOSPI 200 <u>Weekly</u> Options	KRW	Order book	<u>A</u>	<u>0.04%</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>P</u>	<u>0.04%</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>M</u>	<u>0.04%</u>	<u>n. a.</u>	<u>n. a.</u>
		<u>TES</u>	<u>A</u>	<u>0.04%</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>P</u>	<u>0.04%</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>M</u>	<u>0.04%</u>	<u>n. a.</u>	<u>n. a.</u>

Product / Product Group	Currency	Execution Type	Accounts	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold (number of contracts)
[...]						
Eurex Daily Futures Contracts on KOSPI 200 Futures	The fees for transactions in Eurex Daily Futures Contracts on KOSPI 200 Futures are defined as a percentage of the contract value per contract, i.e. the following percentage times the traded price times the contract value of 250,000 South Korean Won (KRW). The fees for transactions in Eurex Daily Futures Contracts on KOSPI 200 Futures are defined as a percentage of the contract value per contract. To determine the applicable fee, the following percentage is multiplied (i) by the traded price and (ii) by 250,000 (as the contract value).					
	KRW	Order book	A	0.0003%	n. a.	n. a.
			P	0.0003%	n. a.	n. a.
			M	0.0003%	n. a.	n. a.
	TES	A	0.0003%	n. a.	n. a.	
		P	0.0003%	n. a.	n. a.	
M		0.0003%	n. a.	n. a.		
[...]						

[...]

3.2.1.2 Liquidity Provision Rebates in Daily Futures on 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:

Product / Product Group	Building Blocks	Order book	TES
Eurex Daily Futures Contracts on KOSPI 200 <u>Monthly</u> Options	Basis	50%	50%
	Package	<u>n.a.</u>	<u>n.a.</u>
	Total	<u>50%</u>	<u>50%</u>
Eurex Daily Futures Contracts on KOSPI 200 <u>Weekly</u> Options	Basis	<u>0%</u>	<u>0%</u>
	Package	<u>50%</u>	<u>50%</u>
	Total	<u>50%</u>	<u>50%</u>

[...]
