clear to trade

eurex clearing circular 033/17

Date: 5 April 2017
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
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Equity index derivatives: Introduction of futures on iSTOXX® Europe Factor Indexes

Related Eurex circular: 032/17

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Risk Control, T +49-69-211-1 24 52, risk@eurexclearing.com

Content may be most important for:	Attachments:
➲ All departments	Updated sections of the following Rules and Regulations: 1. Clearing Conditions of Eurex Clearing AG 2. Price List of Eurex Clearing AG 3. Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation)

Summary:

Effective **3 May 2017,** Eurex Clearing AG (Eurex Clearing) will offer clearing services for six futures on the iSTOXX® Europe Factor Indexes ("iSTOXX® Europe Factor Futures") introduced at Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges).

This circular contains information on clearing of the respective products and the updated sections of the relevant Rules and Regulations of Eurex Clearing which will come into effect on **3 May 2017**.

Please refer to Eurex circular 032/17 for specific trading-related information on the introduction of the new product as well as the updated sections of the relevant Rules and Regulations of the Eurex Exchanges.

Equity index derivatives: Introduction of futures on iSTOXX® Europe Factor Indexes

Effective 3 May 2017, Eurex Clearing AG (Eurex Clearing) will offer clearing services for six futures on the iSTOXX® Europe Factor Indexes ("iSTOXX® Europe Factor Futures") introduced at Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges).

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1. Overview

Underlying instruments					
Index	**Currency**	**Index type**	**ISIN**	**Bloomberg**	**Reuters**
iSTOXX® Europe Low Risk Factor	EUR	Net Return	CH0316370227	ISERRER Index	.ISERRER
iSTOXX® Europe Momentum Factor	EUR	Net Return	CH0316370250	ISEMFER Index	.ISEMFER
iSTOXX® Europe Quality Factor	EUR	Net Return	CH0316370284	ISEQFER Index	.ISEQFER
iSTOXX® Europe Size Factor	EUR	Net Return	CH0316370318	ISEZFER Index	.ISEZFER
iSTOXX® Europe Value Factor	EUR	Net Return	CH0316370342	ISEVFER Index	.ISEVFER
iSTOXX® Europe Carry Factor	EUR	Net Return	CH0316370193	ISECFER Index	.ISECFER

Eurex products					
Futures	**Currency**	**Index type**	**ISIN**	**Product code**	**Product type**
Future on the iSTOXX® Europe Low Risk Factor Index	EUR	Net Return	DE000A2DB5J7	FXFR	FINX
Future on the iSTOXX® Europe Momentum Factor Index	EUR	Net Return	DE000A2DB5K5	FXFM	FINX
Future on the iSTOXX® Europe Quality Factor Index	EUR	Net Return	DE000A2DB5L3	FXFQ	FINX
Future on the iSTOXX® Europe Size Factor Index	EUR	Net Return	DE000A2DB5M1	FXFS	FINX
Future on the iSTOXX® Europe Value Factor Index	EUR	Net Return	DE000A2DB5N9	FXFV	FINX
Future on the iSTOXX® Europe Carry Factor Index	EUR	Net Return	DE000A2DB5P4	FXFC	FINX

2. Contract specifications

For the detailed contract specifications please refer to Eurex circular 032/17.

Underlying instruments	iSTOXX® Europe Low Risk, Momentum, Quality, Size, Value and Carry Factor Index
Description of underlying instruments	A detailed description of the various indexes and the index rules and regulations can be found on the STOXX® website under www.stoxx.com
Contract value	EUR 50 per index point
Settlement	Cash settlement, due on the first exchange trading day after final settlement day
Price determination	In points, with one decimal place
Minimum price change	0.1 points; corresponds to a value of EUR 5.00
Contract months	Up to nine months – the next three quarterly months of the March, June and September cycle
Last trading day/ Final settlement day	The third Friday of each contract month, if this is an exchange trading day at the Eurex Exchanges, otherwise the exchange trading day immediately preceding that day. Close of trading for maturing futures is 12:00 CET
Final settlement price	The average value of all index calculations of the respective iSTOXX® Europe Factor Index in the time between 11:50 and 12:00 CET on the last trading day

3. Product group

The product group assigned to the iSTOXX® Europe Factor Futures is as follows:

Product	Product group	Settlement location unit	Regulatory status	Settlement type	Product type	Product segment	Product currency	Product group code					
Futures on the iSTOXX® Europe Factor Indexes	E/I Futures in EUR	no	Not approved for trading in the U.S.	cash	F	Equity index	EUR	X	N	C	F	Q	E

4. Amendments to the Clearing Conditions of Eurex Clearing AG

The relevant amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) are included in attachment 1 to this circular.

The relevant amendments will become effective on the launch date 3 May 2017. As of the effective date, the full version of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Clearing Conditions

5. Transaction fees

The following fees for trading and clearing apply for futures on the iSTOXX® Europe Factor Indexes:

Contract	Currency	**Standard fee per contract** (contract number ≤ threshold value)	**Reduced fee per contract** (contract number > threshold value)	**Threshold value A-accounts** (contract number)	**Threshold value P-accounts** (contract number)
Order book transactions					
Futures on STOXX® and iSTOXX® Indexes (EUR denominated)	EUR	0.30	n. a.	n. a.	n. a.
Off-book transactions					
Futures on STOXX® and iSTOXX® Indexes (EUR denominated)	EUR	0.45	n. a.	n. a.	n. a.

Please refer to attachment 2 for the updated sections of the Price List of Eurex Clearing AG.

6. Admission to the Trade Entry Services

The iSTOXX® Europe Factor Futures will be admitted to the Trade Entry Services. The minimum number of contracts to be traded is one.

The Flexible Futures Facility will be available for the new products.

Participants who are already registered for the Trade Entry Services may use the respective services for the new products without any further action.

Trading Participants wishing to use the Trade Entry Services for the first time should confirm their acceptance of the General Conditions for Participation by signing the appropriate form and returning it to the Eurex Exchanges. In addition, where the member firm is a Non-Clearing Member, its Clearing Member must sign and return the General Clearer's Declaration Agreement at the same time. The necessary forms can be found on the Eurex Clearing website under the link:

Resources > Forms

The updated sections of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) can be found in attachment 3 to this circular.

As of the effective date, the full version of the amended Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) will be available for download on the Eurex Clearing website under the following link:

Resources > Rules and Regulations > Conditions for Utilization of the Eurex Trade Entry Services

7. Market-Making

Effective 3 May 2017, the following measure of Eurex Clearing will come into effect:

- Introduction of the Designated Market-Making scheme for iSTOXX® Europe Factor Futures, valid from 3 May 2017 until 31 December 2017.

The relevant conditions and details as well as the exact parameters of the Designated Market-Making scheme in the respective products can be found in Eurex circular 032/17.

In order to sign up as Designated Market Maker, please send the filled-out and signed form (attachment 3 to Eurex circular 032/17) to Christine Heyde via fax to +49-69-211-61 56 98 or via e-mail to: christine.heyde@eurexchange.com.

8. 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 under the link:

Risk management > Risk parameters

9. Trading hours (CET)

Product	Pre-trading period	Continuous Trading	Post-trading Full Period	EurexTES Block-Trading	Last trading day
iSTOXX® Europe Factor Futures					Trading until
	07:30-07:50	07:50-22:00	22:00-22:30	08:00-22:00	12:00

Pursuant to Chapter I, Part 1, Number 17.2.6 of the Clearing Conditions, each Affected Customer accepts each change or amendment to the Clearing Conditions, unless it objects by written notice to Eurex Clearing within fifteen (15) Business Days prior to the effective date. The rights to terminate the Clearing Agreement and Clearing Licenses according to Chapter I, Part 1, Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions shall remain unaffected.

Pursuant to Number 15.6 of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) and Number 14 Paragraph 3 of the Price List of Eurex Clearing AG (Price List), amendments to the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation or the Price List respectively are being accepted, unless the TES Participant or the Clearing Member provide a written objection to Eurex Clearing AG within ten (10) Business Days after publication.

If you have any questions or require further information, please contact Derivatives Clearing Supervision at tel. +49-69-211-1 12 50 or send an e-mail to: clearing@eurexclearing.com. Alternatively, Risk Control is available at tel. +49-69-211-1 24 52 or via e-mail to: risk@eurexclearing.com.

5 April 2017

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 03.05.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Part 2 Clearing of Futures Contracts

[…]

2.4 Clearing of Index Futures Contracts

The following provisions shall apply to the Clearing of Index futures contract transactions specified in Number 1.3 of the Eurex Contract Specifications.

[…]

2.4.2 Final Settlement Price

The final settlement price of the Index Futures contracts will be determined by Eurex Clearing AG (pursuant to Number 1.3.4 of the Contract Specifications for Futures Contracts and Options Contracts at the Eurex Deutschland and Eurex Zürich) at the final payment day of a contract.

[…]

(4) With respect to the EURO STOXX® 50 Index (Product ID: FESX and FESQ), EURO STOXX® Select Dividend 30 Index, EURO STOXX 50® ex. Financials Index, <u>iSTOXX® Europe Low Risk Factor (Net Return, EUR), iSTOXX® Europe Momentum Factor (Net Return, EUR), iSTOXX® Europe Quality Factor (Net Return, EUR), iSTOXX® Europe Size Factor (Net Return, EUR), iSTOXX® Europe Value Factor (Net Return, EUR), iSTOXX® Europe Carry Factor (Net Return, EUR),</u> STOXX® Europe 50 Index, STOXX® Europe 600 Index, STOXX® Europe Large 200 Index, STOXX® Europe Mid 200 Index, STOXX® Europe Small 200 Index, EURO STOXX® Sector Index and STOXX® Europe 600 Sector Index, EURO STOXX® Index, EURO STOXX® Large Index, EURO STOXX® Mid Index, EURO STOXX® Small Index Futures contracts, the value of the respective index is based on the average of the respective STOXX indices calculations at that day from 11:50 a.m. until 12:00 noon. CET.

[…]

[...]

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[…]

3.1 Matching / Recording of Derivatives Transactions (Trade)

3.1.1 Order Book Transactions

[…]

Contract[1)]	**Currency**	**Standard Fee per Contract (contract volume ≤ threshold)**	**Reduced Fee per Contract (contract volume > threshold)**	**Threshold A-Accounts (number of contracts)**	**Threshold P-Accounts (number of contracts)**
[…]					
Futures on STOXX® <u>and STOXX®</u> Indices (denominated in EUR)	EUR	0.30	n.a.		
[…]					

[…]

3.1.2 Off-Book Transactions

[…]

Contract	**Currency**	**Standard Fee per Contract** (contract volume ≤ threshold)	**Reduced Fee per Contract** (contract volume > threshold)	**Threshold A-Accounts** (number of contracts)	**Threshold P-Accounts** (number of contracts)
[…]					
Equity Index Derivatives					
Futures					
[…]					
Futures on STOXX® <u>and iSTOXX®</u> Indices (denominated in EUR)	EUR	0.45	n. a.		
[…]					

[…]

3.3 Position Closing Adjustments

[…]

Contract	Fee per Contract
Equity Index Derivatives	
[…]	
Futures on STOXX® and iSTOXX® Indices (denominated in EUR)	EUR 0.60
[…]	

3.4 Cash Settlement

Contract	Fee per Contract	Maximum Fee for Contracts on the same underlying of each A-, P- and M-accounts
Equity Index Derivatives		
[…]		
Futures on STOXX® and iSTOXX® Indices (denominated in EUR)	EUR 0.30	
[…]		

[…]

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[…]

9 Admitted Products

9.1 EFP-Fin Trade Service

Eurex Clearing AG has admitted the following products to the EFP-Fin Trade Service:

[…]

9.2 EFPI Trade Service

Eurex Clearing AG has admitted the following products to the EFPI Trade Service:

- […]
- Futures-Contracts on the EURO STOXX® Select Dividend 30 Index (FEDV)
- <u>Futures-Contracts on the iSTOXX® Europe Low Risk Factor Index (FXFR)</u>
- <u>Futures-Contracts on the iSTOXX® Europe Momentum Factor Index (FXFM)</u>
- <u>Futures-Contracts on the iSTOXX® Europe Quality Factor Index (FXFQ)</u>
- <u>Futures-Contracts on the iSTOXX® Europe Size Factor Index (FXFS)</u>
- <u>Futures-Contracts on the iSTOXX® Europe Value Factor Index (FXFV)</u>
- <u>Futures-Contracts on the iSTOXX® Europe Carry Factor Index (FXFC)</u>
- […]

9.3 EFS Trade Service

Eurex Clearing AG has admitted the following products to the EFS Trade Service:

- […]
- Futures-Contracts on the EURO STOXX® Select Dividend 30 Index (FEDV)
- <u>Futures-Contracts on the iSTOXX® Europe Low Risk Factor Index (FXFR)</u>

- Futures-Contracts on the iSTOXX® Europe Momentum Factor Index (FXFM)
- Futures-Contracts on the iSTOXX® Europe Quality Factor Index (FXFQ)
- Futures-Contracts on the iSTOXX® Europe Size Factor Index (FXFS)
- Futures-Contracts on the iSTOXX® Europe Value Factor Index (FXFV)
- Futures-Contracts on the iSTOXX® Europe Carry Factor Index (FXFC)
- […]

9.4 Block Trade Service

[…]

9.4.1 Admitted Products:

Product	Minimum number of tradable contracts
[…]	
Stock Index Futures	
[…]	
Futures Contracts on the EURO STOXX® Select Dividend 30 Index (FEDV)	100
Future Contracts on the iSTOXX® Europe Low Risk, Momentum, Quality, Size, Value and Carry Factor Index	1
Futures Contracts on the STOXX® Global Select Dividend 100 Index (FGDV)	100
[…]	

9.4.2 Admitted Flexible Futures and Options Contracts

[…]

II. Flexible Eurex Futures Contracts	Minimum number of contracts to be traded
[…]	~~1~~
~~Futures Contracts on the Dow Jones Global Titans 50SM Index (EUR) (FGTI)~~	
~~Futures Contracts on the Dow Jones Global Titans 50SM Index (USD) (FT50)~~	~~1~~
~~Futures Contracts on the Dow Jones Sector Titans Indices~~	~~1~~
Futures Contracts on the iSTOXX® Europe Low Risk, Momentum, Quality, Size, Value and Carry Factor Index	1

[…]

Annex A to the General Conditions for Participation:

Off-Book Periods of Use (all times in CET)

Futures Contracts

[…]

Equity Index Futures Contracts

Product	Product-ID	Start-End
[…]	[…]	[…]
iSTOXX® Europe Low Risk, Momentum, Quality, Size, Value and Carry Factor Index Futures	FXFR, FXFM, FXFQ, FXFS, FXFV, FXFC	8.00 – 22:00
[…]	[…]	[…]

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