

08 Sep 2022  
Eurex Clearing

# Fixed Income Derivatives: A. Introduction of Euro High Yield Index Futures; B. Editorial changes to the Price List for existing bond index futures

**Eurex Clearing Circular 065/22 Fixed Income Derivatives: A. Introduction of Euro High Yield Index Futures; B. Editorial changes to the Price List for existing bond index futures**

## 1. Introduction

This circular contains information with respect to Eurex Clearing's service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) and Price List of Eurex Clearing AG (Price List) regarding to the following topics:

### A. Introduction of Euro High Yield Index Futures

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### B. Editorial changes to the provisions on the Clearing of Bond Index Futures Contracts in the Price List

**Effective date: 17 October 2022**

## 2. Required action

There is no required action for the participants.

## 3. Details

### A. Introduction of Euro High Yield Index Futures

Effective 17 October 2022, Eurex Clearing will offer clearing services for Euro High Yield Index Futures introduced at Eurex Deutschland.

In this context, the following measures will apply effective **17 October 2022**:

- ◆ Amendments to the Clearing Conditions regarding the inclusion of Euro High Yield Index Futures,
- ◆ Amendments to the Price List regarding the inclusion of Euro High Yield Index Futures.

Please refer to Eurex circular 086/22 for detailed trading-related information as well as the amendments of the relevant Rules and Regulations of Eurex Deutschland.

**Simulation start: 6 September 2022**

**Production start: 17 October 2022**

#### a. Product overview

Product name	Product ID	Currency	Product ISIN	Underlying ISIN
Futures on the Bloomberg Liquidity Screened Euro High Yield Index	FEHY	EUR	DE000A3DL3Z5	GB00BZ76DV77

#### b. Contract specifications

For the detailed contract specifications, please refer to Eurex circular 086/22.

#### c. Product group

The product group of the new product is as follows:

Product	Product group	Regulatory status	Settlement type	Product type	Product segment	Product currency	Capacity name
Futures on the Bloomberg Liquidity Screened Euro High Yield Index (FEHY)	E/I Futures in EUR	Not approved for trading in the U.S.	Cash	F	Index	EUR	Cash/Physical EUR

#### d. Transaction fees

The fees for the products can be retrieved from the updated sections of the Price List, as outlined in Attachment 2.

#### e. Simulation

Since 6 September 2022, the new products have been 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](http://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 product, please refer to the Eurex Clearing website [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) under the link:

#### **Services > Risk parameters**

### **g. Amendments to the legal framework of Eurex Clearing AG**

In this context, the following provisions will be amended as outlined in Attachments 1 and 2:

- ◆ Chapter II Part 2 Number 2.23.2 of the Clearing Conditions
- ◆ Numbers 3.1, 3.3 and 3.4 of the Price List

As of the effective date, the full versions of the amended Clearing Conditions and Price List will be available for download on the Eurex Clearing website under the following link:

#### **Rules & Regs > Eurex Clearing Rules and Regulations**

### **B. Editorial changes to the provisions on the Clearing of Bond Index Futures Contracts in the Clearing Conditions and the Price List**

Bloomberg announced that the Bloomberg Barclays fixed income benchmark indices are rebranded as the Bloomberg Fixed Income Indices

To reflect the rebrand, the following provisions will be amended as outlined in Attachments 1 and 2:

- ◆ Chapter II Part 2 Number 2.23.2 of the Clearing Conditions
- ◆ Numbers 3.1, 3.3 and 3.4 of the Price List

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 prior to the relevant effective date(s) as stipulated in this circular. 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. Updated sections of the Clearing Conditions of Eurex Clearing AG
- ◆ 2. Updated sections of the Price List of Eurex Clearing AG

## Further information

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

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

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Contact: [client.services@eurex.com](mailto:client.services@eurex.com)

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Related circular: Eurex circular 086/22

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Web: [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/)

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Authorized by: Jens Janka

## Further information

[↓ Attachment 1 to Eurex Clearing circular 065/22](#)

[↓ Attachment 2 to Eurex Clearing circular 065/22](#)

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Chapter II of the Clearing Conditions of Eurex Clearing AG

# Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 17.10.2022

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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

[...]

### 2.23 Clearing of Bond Index Futures Contracts

[...]

#### 2.23.2 Final Settlement Price

The final settlement price of the Index Futures Contracts will be determined by Eurex Clearing AG (pursuant to Number 1.23.4 of the Eurex Contract Specifications) at the final settlement day of a contract.

- (1) ~~With respect to the Bloomberg Barclays-MSCI Index Futures Contracts on total return indices, the closing value of the underlying total return index on the last trading day shall be decisive.~~
- (2) With respect to the Bloomberg Index Futures Contracts on total return indices, the closing value of the underlying total return index on the last trading day shall be decisive.
- (32) In case of extraordinary circumstances, especially (i) if the trading is interrupted due to technical problems, (ii) if the determined final settlement price does not reflect the true market conditions or (iii) if a price determination is not possible for other reasons, Eurex Clearing AG may determine the final settlement price at its reasonable discretion (*billiges Ermessen*).

[...]

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

### 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)
[...]						
<b>Bond Index Derivatives</b>						
<b>Bond Index Futures</b>						
Bloomberg Barclays-MSCI Euro Corporate SRI Index Futures	EUR	Order book	A	0.50	n. a	n. a
			P	0.40	n. a	n. a
			M	0.40	n. a	n. a
		Eurex EnLight	A	0.75	n. a	n. a
			P	0.60	n. a	n. a
			M	0.60	n. a	n. a
		TES	A	0.75	n. a	n. a
			P	0.60	n. a	n. a
			M	0.60	n. a	n. a
Bloomberg Barclays-MSCI Global Green Bond Index Futures	EUR	Order book	A	0.50	n. a	n. a
			P	0.40	n. a	n. a
			M	0.40	n. a	n. a
		Eurex EnLight	A	0.75	n. a	n. a
			P	0.60	n. a	n. a
			M	0.60	n. a	n. a
		TES	A	0.75	n. a	n. a
			P	0.60	n. a	n. a
			M	0.60	n. a	n. a



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)
<u>Bloomberg Liquidity Screened Euro High Yield Bond Index Futures</u>	EUR	Order book	A	0.50	n. a	n. a
			P	0.40	n. a	n. a
			M	0.40	n. a	n. a
		Eurex EnLight	A	0.75	n. a	n. a
			P	0.60	n. a	n. a
			M	0.60	n. a	n. a
		TES	A	0.75	n. a	n. a
			P	0.60	n. a	n. a
			M	0.60	n. a	n. a
[...]						

[...]

### 3.3 Position Closing Adjustments

- (1) For Position Closing Adjustments, if these do not take place until 13:30 CET on the trading day following the day of the transaction, the following fees shall be charged:

Product / Product Group	Account	Fee per Contract
<b>Equity Futures with Group ID assigned in Annex A of the Eurex Contract Specifications</b>		
[...]		
<b>Bond Index Derivatives</b>		
Bloomberg Barclays MSCI Euro Corporate SRI Index Futures	A	EUR 1.00
	P	EUR 0.80
	M	EUR 0.80
Bloomberg Barclays MSCI Global Green Bond Index Futures	A	EUR 1.00
	P	EUR 0.80
	M	EUR 0.80
<u>Bloomberg Liquidity Screened Euro High Yield Bond Index Futures</u>	A	EUR 1.00
	P	EUR 0.80
	M	EUR 0.80
[...]		

[...]

### 3.4 Cash Settlement

(1) The following fees are charged for cash settlement of the products listed below:

Product / Product Group	Account	Fee per Contract	Maximum Fee for Contracts on the same underlying
<b>Equity Total Return Futures with Group ID assigned in Annex G of the Eurex Contract Specifications</b>			
[...]			
<b>Bond Index Derivatives</b>			
Bloomberg Barclays MSCI Euro Corporate SRI Index Futures	A	EUR 0.50	n. a.
	P	EUR 0.40	n. a.
	M	EUR 0.40	n. a.
Bloomberg Barclays MSCI Global Green Bond Index Futures	A	EUR 0.50	n. a.
	P	EUR 0.40	n. a.
	M	EUR 0.40	n. a.
Bloomberg Liquidity Screened Euro High Yield Bond Index Futures	<u>A</u>	<u>EUR 0.50</u>	<u>n. a.</u>
	<u>P</u>	<u>EUR 0.40</u>	<u>n. a.</u>
	<u>M</u>	<u>EUR 0.40</u>	<u>n. a.</u>
[...]			

[...]

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