



Eurex Clearing Resources Circulars & Mailings

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No. 115/2019

## Equity index derivatives: Planned launch of futures on STOXX USA 500 ESG-X and MSCI USA, World, EM, EAFE and Japan ESG Screened indexes – Preliminary launch details

Eurex Clearing Circular 115/19

### 1. Introduction

Eurex Clearing plans to offer clearing for further Environmental Social Governance (“**ESG**”) related equity index derivatives that are to be introduced at Eurex Deutschland (subject to the final admission of the new products to trading).

This circular contains preliminary information on proposed changes and drafts of the updated sections of the relevant Rules and Regulations of Eurex Clearing AG on the introduction of futures contracts on the **STOXX USA 500 ESG-X index** which are envisaged to come into effect on **10 February 2020**.

Futures contracts on **MSCI ESG Screened indexes** (covering USA, World, EM, EAFE and Japan), that are to be introduced on **2 March 2020** at Eurex Deutschland, are already covered under Eurex Clearing’s framework as derivatives on MSCI Futures and therefore no further amendments are necessary.

Please refer to Eurex circular 119/19 for detailed trading-related information about the new products.

A Eurex Clearing circular containing the final launch announcement as well as the amendments to the Price List and the Clearing Conditions of Eurex Clearing AG will be published at a later stage.

### 2. Required action

No action is required by the Clearing Members.

### 3. Details of the initiative

ESG equity index futures are based on indices that incorporate Environmental Social Governance criteria into the index methodology. With this launch, Eurex Deutschland extends its ESG segment by adding further regions (USA, World, EM, EAFE, Japan) and index methodologies to its existing offering established in February 2019.

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, as applicable.

#### Attachments:

- 1 – Amended sections of the Clearing Conditions of Eurex Clearing AG (DRAFT)
- 2 – Amended sections of the Price List of Eurex Clearing AG (DRAFT)

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

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

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Related circular: Eurex circular 119/19

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## Further information

[Attachment 1 to Eurex Clearing circular 115/19](#)

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[Attachment 2 to Eurex Clearing circular 115/19](#)

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[Navigate to Eurex News](#)

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Chapter II of the Clearing Conditions of Eurex Clearing AG

## Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 10.02.2020

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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**

[...]

#### **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 Eurex Deutschland) at the final payment day of a contract.

[...]

(5) With respect to the STOXX® Global Select Dividend 100 and the STOXX® USA 500 ESG-X Index Futures contracts, the closing value of the underlying index on the last trading day shall be decisive.

[...]

[...]

## **Part 4 Clearing of Off-Book Trades**

[...]

### **4.2 Clearing of Alternative Contract Specifications**

[...]

#### **4.2.3 Final Settlement Price, Reference Price**

[...]

(2) In case of Alternative Contract Specifications in accordance with Number 3.2.1 of the Contract Specifications, where the final settlement day is determined by way of derogation from the final settlement day of the respective standard contract, Eurex Clearing AG shall determine the final settlement price or the reference price as follows:

a. Alternative Contract Specifications for Futures Contracts

aa) In case of Alternative Contract Specifications for Index-Futures Contracts (except for MSCI Indices, ~~and~~ the STOXX® Global Select Dividend 100 Index and the STOXX® USA 500 ESG-X Index) to be fulfilled by means of Cash Settlement, the final settlement price shall be determined in accordance with the closing value of the underlying index on the respective, individually determined final settlement day.

bb) In case of Alternative Contract Specifications for Index-Futures Contracts on MSCI Indices, ~~and~~ the STOXX® Global Select Dividend 100 Index and the STOXX® USA 500 ESG-X Index to be fulfilled by means of Cash Settlement, the final settlement price shall be determined in accordance with the closing value of the underlying index on the trading day preceding the final settlement day.

[...]

[...]

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

Please note: This draft version is based on the Price List as of 02.01.2020.

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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>Equity Index Derivatives</b>						
<b>Equity Index Futures</b>						
[...]						
Futures on STOXX® ESG Indices (denominated in USD)	USD	Order book	A	0.35	n.a.	n.a.
			P	0.30	n.a.	n.a.
			M	0.30	n.a.	n.a.
	USD	Off-book	A	0.50	n.a.	n.a.
			P	0.45	n.a.	n.a.
			M	0.45	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 Index Derivatives</b>		
[...]		
<u>Futures on STOXX® ESG Indices (denominated in USD)</u>	<u>A</u>	<u>USD 0.70</u>
	<u>P</u>	<u>USD 0.60</u>
	<u>M</u>	<u>USD 0.60</u>
[...]		

### 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
[...]		
<b>Equity Index Derivatives</b>		
[...]		
<u>Futures on STOXX® ESG Indices (denominated in USD)</u>	<u>A</u>	<u>USD 0.35</u>
	<u>P</u>	<u>USD 0.30</u>
	<u>M</u>	<u>USD 0.30</u>
[...]		

[...]

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