

X-pand into the Future



e u r e x *circular 074/09*

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors
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Volkswagen Preference Shares (VO3): Introduction of Equity Options

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Content may be most important for:

Ü All departments

Attachment:

Updated section of Annex B of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Summary:

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided on the introduction of an equity option on Volkswagen preference shares effective **May 11, 2009**.

The new option will be part of the respective Eurex Market-Making programs as of June 2, 2009.



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Volkswagen Preference Shares (VO3): Introduction of Equity Options**1. Introduction Date**

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided on the introduction of an equity option on Volkswagen preference shares effective May 11, 2009.

2. Contract Specifications and Product Parameters

Product Equity Options Currency: EUR	Product ISIN	Eurex-Code	Contract Size	Minimum Price Change	ISIN of the Underlying
VOLKSWAGEN VZ	DE0007664039	VO3	100	0.01	DE0007664039

The contract specifications for the product are also available on the Eurex website under the path:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options

3. Risk Parameters

Margin parameters will be published on the Eurex website under the path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters

No separate circular is planned for this issue. The respective data will be available one week before start of trading, at the latest. Members will be informed via a Newsboard message.

4. Mistrade Parameters

For trading the new options contracts, the Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich will apply, as before. The parameters can be downloaded from the Eurex website under the following path:

www.eurexchange.com > Documents > Rules & Regulations > Mistrade Regulations

5. Market-Making

As of June 2, 2009, the new products will be included in the respective Eurex Market-Making programs.

Market Makers will be able to select between the following Market-Making models:

- Regular Market-Making (RMM)
- Permanent Market-Making (PMM)
- Advanced Market-Making (AMM).

Since the new product will be included in the German Advanced Market-Making-Paket package, the number of monthly exceptions in the German package will be increased from currently 27 to 28.

The table “Options on other Equities“ in the document “Market Maker Obligations at Eurex” will be extended by the following entries:

Product	Product Code	Spread Class	Minimum Quote Size (contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	PMM/AMM		
Options on other equities						
VOLKSWAGEN VZ	VO3	2	50	20	8	DE

Spread class 2 contains the following obligations:

Bid up to (EUR)	Maximum Spreads (EUR)	
	Expiration months	
	≤ 24	> 24
In Euro denominated equity options and EXTF options		
Spread class 2		
0 – 1,50	0.15	0.25
1.51 – 15.00	10%	15%
> 15.00	1.50	2.25

As of start of trading, the complete Market Maker Obligations in the respective versions will be published on the Eurex website under the path:

www.eurexchange.com > Trading > Market Model > Market-Making > Market Maker Obligations

6. Transaction Limits, Minimum Size for OTC Block Trades, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar and Transaction Fees

The same values apply as for existing German equity options from this segment.

7. Data Vendor Codes

At start of trading, data vendor codes will be published on the Eurex website under the path:

www.eurexchange.com > Trading > Products > Vendor Product Code Search

8. Preparations for Start of Trading

- Approximately one week before start of trading, the equity options and corresponding margin classes will be set up in the Eurex® trading system. Members will be informed by means of a Newsboard message about all steps of the procedure including the first transmission of settlement prices.

- Trading will start on Monday, May 11, 2009. On this day, it will be possible to enter orders and quotes into the Eurex[®] system as of 07:31 CET.

9. Position Limits

Position limits for the new options will be published on the Eurex website under the path:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options > Selection by Country

Frankfurt, April 30, 2009

**Contract Specifications for Futures Contracts
Options Contracts at Eurex Deutschland and
Zürich**

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May 11, 2009

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[...]

Annex B in relation to subsection 2.6 of the contract specifications:

Options on Shares of	Product-ID	Group ID*	Cash Market ID*	Contract Size	Maximum Term (Months)	Minimum Price Change	Currency
[...]							
VW AG - Vz.	VO3	DE11	XETR	100	60	0.01	EUR
[...]							

* The group ID as well as the cash market ID shall be assigned by the Eurex Exchanges according to the following table and shall, amongst others, serve the purpose of determining a market place for the price of the share underlying the contract.

[...]