



## eurex circular 174/06

**Date:** Frankfurt, August 17, 2006  
**Recipients:** All Eurex members and vendors  
**Authorized by:** Peter Reitz

**U High Priority**

### Swiss Equity Options:

1. Introduction of Options Contracts and LEPOs on Two Swiss Registered Shares
2. Options on Ciba and Swiss Life Holding: Maturities Extension to 60 Months

**Contact:** Weiwei Wang, Product Design Equity Derivatives, tel. +49-69-211-1 72 62  
E-mail: [Weiwei.Wang@eurexchange.com](mailto:Weiwei.Wang@eurexchange.com)

#### **Content may be most important for:**

Ü All Departments

#### **Attachments:**

1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich: Annex A
  2. Application for Admission as Market Maker
- On the Eurex website only:
3. Market Maker Obligations
  4. Market Maker Registration

#### Summary:

In their session on August 9, 2006 the Management Boards of the Eurex Exchanges approved the following measures to extend the Swiss product range of Eurex:

1. Introduction of options and LEPOs on registered shares of Kühne & Nagel International and Phonak as of **September 18, 2006**.
2. Inclusion of the new stock options into the Swiss Advanced Market Maker package and extension of the number of monthly exception for equity options from nine to eleven as of **October 1, 2006**
3. Refund on transaction fees for trades in the two new Swiss options executed by Market Makers on M-accounts provided that they have fulfilled the relevant obligations. This program will run for the period between September 18, 2006 and March 31, 2007.
4. Extension of the maximum maturity for options on Ciba and Swiss Life Holding from currently 24 to 60 months as of **September 18, 2006**.



**Swiss Equity Options:**

1. **Introduction of Options Contracts and LEPOs on Two Swiss Registered Shares**
2. **Options on Ciba and Swiss Life Holding: Maturities Extension to 60 Months**

**1. Introduction of Options Contracts and LEPOs on Two Swiss Registered Shares**

The Management Boards of the Eurex Exchanges decided to introduce options and LEPOs on registered shares of Kühne & Nagel International and Phonak. Start of trading will be September 18, 2006. Expirations for October, November, December 2006, and March, June, September, and December 2007, as well as June 2008 will be set up. Thus, maturities of up to a maximum of 24 months will be available.

**1.1 Products and Product Parameters**

Option on	Eurex ID	ISIN	Contract Size	Position Limit (Contracts)	Margin Interval (absolute)
Kühne & Nagel International N	KNIN	CH0025238863	50	265,500	8
Phonak N	PHBN	CH0012549785	50	216,654	8

**1.2 Trading Phases (CET)**

Pre-Trading	Trading (PO+Trading)	Post-Trading Full	OTC-Trading	Last Trading Day	
				Trading until	Exercise/Notify until
07:30-8:52	08:52-17:20	17:20-20:00	09:00-19:00	17:20	20:00

**1.3 Market-Making and Fee Refund**

Market-Making will be based on Regular Market-Making (RMM), Permanent Market-Making (PMM) and Advanced Market-Making (AMM) within the Swiss Package. RMM will be offered as of September 18, 2006, whereas AMM/PMM will be available as of October 1, 2006. The number of monthly exceptions for products which do not require quotation within the Swiss Package for AMM will be increased from currently nine to eleven products as of October 1, 2006.

Market-making parameters of the new products are as follows:

Option on	Spread Class	Minimum Quote Size		Maturity Range for PMM/AMM (up to months)	AMM Package ID
		RMM	PMM/AMM		
Kühne & Nagel International N	7	50	20	12	CH
Phonak N	7	50	20	12	CH

For the period between September 18, 2006 and March 31, 2007 Eurex offers a refund on transaction fees for trades in the two new Swiss options executed by the Market Makers on the M-accounts provided that they have fulfilled the relevant obligations.

Detailed Market Maker Obligations at Eurex in their version valid as of September 18, 2006 are available for download from the Eurex website under the path:

**[www.eurexchange.com](http://www.eurexchange.com) > Member Section > Market-Making**

Participants interested in Market-Making for the two new options should complete and return the Market Maker Registration Form **by September 12, 2006** to Eurex Product Design, for the attention of **Weiwei Wang**, at fax no. +49-69-211-1 44 61. This form can be downloaded from the Eurex website at:

[www.eurexchange.com](http://www.eurexchange.com) > **Member Section > Eurex Derivatives Forms > Market-Making**

#### **1.4 Mistrade Ranges**

Mistrade Ranges for the two new stock options will also be published on the Eurex website as of start of trading on September 18, 2006 under the path:

[www.eurexchange.com](http://www.eurexchange.com) > **Products > Equity Derivatives > Selection by Country > Product Name > Contract Specifications**

#### **1.5 Vendor Product Codes**

Vendor product codes will be published as of start of trading on the Eurex website:

[www.eurexchange.com](http://www.eurexchange.com) > **Products > Vendor Product Codes**

#### **1.6 Transaction Limits, OTC Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar and Transaction Fees**

The same values which currently relate to the existing Swiss equity options will apply, as appropriate.

#### **1.7 Preparation for Start of Trading**

- On September 12, 2006 (Tuesday) the new options as well as their associated Margin Classes will be set up in the Eurex<sup>®</sup> system. Corresponding back-office transactions will be transmitted electronically.
- From September 13, 2006 (Wednesday) to September 15, 2006 (Friday) after close of trading, settlement prices for all tradable options contract months will be transmitted. In addition, transactions for the respective PMI file will be generated. Theoretical prices for options, transmitted during end of day processing after 21:00 CET, should be ignored.
- Trading in the two new Swiss stock options will start on Monday, September 18, 2006. Orders and quotes may be entered into the Eurex<sup>®</sup> system from 07:30 CET onwards.

## **2. Options on Ciba and Swiss Life Holding: Maturities Extension to 60 Months**

Due to the continuous increase of volume in options on Ciba Spezialitätenchemie Holding (CIBN) and Swiss Life Holding (SLHN) the maximum maturity of these two options will be extended to 60 months. This will be effective as of September 18, 2006.

Frankfurt, August 17, 2006

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

[....]

**Annex A in relation to subsection 2.6 of the contract specifications:**

	Produkt-ID	Country	Contract size	Term (month)	minimum Price Change
<b>Options on Dow Jones EURO STOXX<sup>®</sup> 50 Index Components (EUR)</b>					
[....]					

	Produkt-ID	Country	Contract size	Term (month)	minimum Price Change
<b>Options on SMI<sup>®</sup>-Components (CHF)</b>					
ABB	ABBN	CH	100	60	0.01
Adecco	ADEN	CH	100	24	0.01
Bâloise Holding	BALN	CH	100	24	0.01
Ciba Spezialitätenchemie Holding	CIBN	CH	10	<u>2460</u>	0.01
Cie Financière Richemont	CFR	CH	100	24	0.01
[....]					
Swatch Group	UHRN	CH	100	24	0.01
Swiss Life Holding	SLHN	CH	10	<u>2460</u>	0.01
Swisscom	SCMN	CH	10	24	0.01
[....]					

	Produkt-ID	Country	Contract size	Term (month)	minimum Price Change
<b>Other Stock Options (EUR)</b>					
[....]					
Karstadt Quelle	KAR	DE	100	24	0.01
Kühne & Nagel International	KNIN	CH	50	<u>24</u>	<u>0.01</u>
KPN	KPN	NL	100	60	0.01
[....]					
Peugeot	PEU	FR	100	60	0.01
Phonak	PHBN	CH	50	<u>24</u>	<u>0.01</u>
Pinault-Printemps	PPX	FR	100	60	0.01
[....]					

\* quoted in CHF.

[....]

Antrag auf Zulassung als Market Maker /  
*Application for admission as Market Maker*



Eurex Deutschland/Eurex Zürich  
c/o Eurex Frankfurt AG  
Customer Support

60485 Frankfurt

Fax Chicago: +1 -312-544 1145  
Fax Frankfurt: +49-69-211-1 16 41  
Fax London: +44-207-862 7297  
Fax Paris: +33-1-55 27 67 50  
Fax Zürich: +41-58 854 2466

Antragsteller / *Applicant*

Name des Antragstellers / *Company name of Applicant*

Anschrift / *Address*

Vorname, Name des Ansprechpartners / *First Name, surname of contact person*

Telefon-Nr. / *Phone-No.*

Fax-Nr. / *Fax-No.*

**Antrag auf Zulassung als Market Maker gemäß Ziffer 3.3 der Börsenordnung für die Eurex Deutschland und die Eurex Zürich (Eurex BörsO) / *Application for admission as Market Maker pursuant to subsection 3.3 of the Exchange Rules for Eurex Deutschland and Eurex Zürich (Eurex***

I. Hiermit beantragen wir die Zulassung als Market Maker gemäß Ziffer 3.3 der Eurex BörsO.

Sofern das antragstellende Unternehmen auch zugelassener Handelsteilnehmer an Eurex Zürich ist, gilt dieser Antrag auch für Eurex Zürich.

*We herewith apply for admission as Market Maker pursuant to subsection 3.3 of the Eurex Exchange Rules.*

*Provided that the applying company is admitted as an exchange participant at Eurex Zürich, this application also applies to Eurex Zürich.*

II. Wir bestätigen, dass uns das Eurex-Regelwerk bekannt ist und versichern, dieses in der jeweiligen gültigen Fassung zu beachten.

*We confirm that we know the Eurex Rules and Regulations and declare that we will comply with these provisions in their relevant current version.*

Ort und Datum / *Place and date*

Firmenstempel (Unternehmensname in Druckbuchstaben)  
und Unterschrift / *Company stamp (Company name in capitals) and authorized signature*