



Eurex Circular 045/19

Amendments to the Conditions for Trading at Eurex Deutschland and Exchange Rules of Eurex Deutschland

Summary

With this circular, we would like to inform you about the amendments to the Conditions for Trading at Eurex Deutschland (Trading Conditions) and Exchange Rules of Eurex Deutschland (Exchange Rules) which have been approved by the Exchange Council of Eurex Deutschland.

The amendments will pave the way for strategic initiatives which Eurex Deutschland will introduce, including the introduction of Basket Total Return Futures as well as a streamlining of the rulebooks related to the Eurex pre-trade limit framework.

Attachment:

none

Date: 12 April 2019

Recipients:

All Trading Participants of Eurex Deutschland and Vendors

Authorized by:

Randolf Roth

Target groups:

- Front Office/Trading
- Middle + Back Office
- Auditing/Security Coordination

Contact:

Key Account Manager Trading,
customer.readiness@eurexchange.com

Amendments to the Conditions for Trading at Eurex Deutschland and Exchange Rules of Eurex Deutschland

1. Amendments related to the introduction of Equity Total Return Futures and Basket Total Return Futures

Eurex plans to expand the existing Eurex offering of Index Total Return Futures and implement a listed solution for Equity Total Return Swaps as a method for creating the basic building block for replicating equity finance trades as part of a basket.

An Equity Total Return Future (ETRF) is a fully listed future, aiming to replicate the returns analogous to an equity swap, referencing shares issued by a specific company. A Basket Total Return Future (BTRF) is a package of one or multiple ETRFs constructed by traders within certain parameters in relation to eligible equity shares and traded off-book with T7 TES basket functionality.

The amendments to the Conditions for Trading at Eurex Deutschland, which will come into effect on 15 April 2019, are related to section 4.3, which covers the Types of Off-book Trades. The new paragraph 4.3 (7) which has been added to this section, describes the basket functionality and substitution trades.

2. Amendments related to pre-trade limit framework

Eurex Deutschland has reviewed its Exchange Rules relating to pre-trade limit functionalities and made several amendments.

The objective of those amendments is a consistent and balanced rule setting across Eurex and Eurex Clearing to properly represent the existing and future risk functionality. This should also give more flexibility to further expand the risk functionality framework used at Eurex and Eurex Clearing and to apply an appropriate level of detail for all risk functionalities in the relevant documents. The details are as follows:

Changes to §29:

- (1) Reflect that limits can be entered in the system of Eurex Deutschland or Eurex Clearing;
- (2) Reduce degree of detail covering pre-trade limits (e.g. removal of field descriptions) and therefore align coverage of detail for all available risk functionalities offered with a more generic wording;
- (3) Description of pre-trade limits offered via the system of Eurex Clearing and reference to the Clearing Conditions for detailed description and application.

Changes to §30 (3):

- (1) Broaden possibility to limit Exchange Participants when violating agreements between the Clearing Member and Exchange Participant.

Changes to §41:

- (1) Remove time or product related availability of pre-trade limits
- (2) Coverage of different systems holding pre-trade limits and triggering breaches

These amendments will come into effect on 15 April 2019. The updated rules and regulations can be found under the following link: <https://www.eurexchange.com/exchange-en/resources/rules-regulations>

If you have any questions or require further information, please contact your Key Account Manager or send an E-Mail to client.services@eurexchange.com.

12 April 2019