

Product Specific Supplement for Futures on MSCI ESG Indices

Validity: Until 31 December 2020

Contact: Christine Heyde, Equity and Index Derivatives – Product Design, T +49-69-211-1 56 98, christine.heyde@eurexchange.com

Preamble

This Product Specific Supplement for Futures on MSCI ESG Indices (hereinafter referred to as “Product Specific Supplement”) forms an integral part of the Liquidity Provider Agreement („LPA”).

One liquidity provider scheme for Futures on MSCI ESG Indices is offered (in three time zones or quotation periods).

1. Applicable Building Blocks for Futures on MSCI Indices

Pursuant to Sec. 2.3 of the General Supplement to the LPA, the granting of rebates and the concrete rebate levels to be applied on the respective transaction fees are dependent on the fulfilment of Building Blocks. For this Product Specific Supplement, the following Building Blocks are applicable:

Scheme	Quotation period	Product Scope	Basis	Package	Strategy	Larger Size	Tighter Spread	Stress Presence	Eurex EnLight	Revenue Sharing
			BBB	PBB	CBB	LBB	TBB	SBB	EBB	
MSCI-ESG	MSCI ESG Futures 1	All MSCI ESG Futures	✓					✓		✓
	MSCI ESG Futures 2	All MSCI ESG Futures	✓					✓		✓
	MSCI ESG Futures 3	All ESG MSCI Futures	✓					✓		✓

The requirements for Strategy Building Block, Larger Size Building Block, Tighter Spread Building Block, Stress Presence Building Block and Eurex EnLight Building Block are product group specific and can be found in section 2.3 of the General Supplement to the LPA.

2. Liquidity Provider Rebates

Upon fulfilment of the Building Block requirements of one product, Liquidity Providers shall receive a fee rebate as specified in section 3 of the General Supplement to the LPA in accordance with the table below. A multiple refund will not take place upon fulfilment of more than one scheme in one product. The evaluation takes place on a monthly basis.

Execution type	Building Block	Upon fulfilment of Building Block requirements in at least one scheme
Order book	Basis	50%
	Package	-
	Strategy	-
	Larger Size	-
	Tighter Spread	-
	Total	50%
Eurex EnLight	Basis	50%
	Package	-
	Strategy	-
	Eurex EnLight	-
	Total	50%
TES	Basis	50%
	Package	-
	Strategy	-
	Eurex EnLight	-
	Total	50%

3. Building Block Requirements

3.1. Basis Block Requirements

In order to receive the Liquidity Provider Rebates pursuant to Sec. 2 above, the following quotation requirements shall apply to each product individually:

MSCI-ESG schemes	MSCI ESG Futures 1	MSCI ESG Futures 2	MSCI ESG Futures 3
Quotation Period:	01:00 – 09:00 CE(S)T (Asian trading hours)	09:00 – 17:30 CE(S)T (European trading hours)	15:30 – 22:00 CE(S)T (US trading hours)
Required Coverage:	70%		
Maturity Range:	The front month needs to be quoted. Five exchange days prior to expiration, Liquidity Providers may choose to quote either the front month or the second expiration month		
Minimum Quote Size:	See quotation parameters table below (cp. Sec. 5)	See quotation parameters table below (cp. Sec. 5)	See quotation parameters table below (cp. Sec. 5)
Maximum Spread:	See quotation parameters table below (cp. Sec. 5)	See quotation parameters table below (cp. Sec. 5)	See quotation parameters table below (cp. Sec. 5)

4. Other monetary incentive schemes: Revenue Sharing

A revenue sharing scheme is offered as of 2 March 2020 until 31 December 2020 in accordance with section 3.1.2 of the General Supplement to the LPA.

The revenue sharing scheme applies to each product individually (Single Product Scheme). The evaluation takes place on a monthly basis.

	Revenue Sharing Scheme
Revenue Sharing Pool:	Up to 20% of the net revenues per product.
Participation Condition:	Fulfillment of Basis Building Block requirement in one or more schemes (MSCI-ESG) and one or more of the three quotation periods. In order to receive revenue sharing, the outrights need to be quoted.
Number of Participants:	Up to 15 (up to 5 per scheme per quotation period)
Qualification criterion:	The top 5 fulfilling Liquidity providers per scheme and quotation period participate, ranked according to their share of trading volume on M-accounts (order book) of all fulfilling Liquidity Providers in the respective product
Distribution Method:	Equal distribution: 5% of the net revenues is equally distributed amongst up to 15 Liquidity Providers (5 per quotation period in scheme MSCI-ESG). Liquidity Providers can hereby qualify for different quotation periods and are thus incentivized to fulfil more than one quotation period per product
	Volume-based distribution amount: 15% of the net revenues are distributed proportionally among all qualifying Liquidity Providers

Eurex Clearing shall be entitled to pay the revenue sharing incentive to the account of the respective Liquidity Provider that has qualified for the revenue sharing payment according to this section 4.

The Liquidity Provider shall authorize its Clearing Member to collect this revenue sharing payment on his behalf.

5. Quotation Parameters

The following quotation parameters apply for the quotation requirements pursuant to Sec. 3 above and the revenue sharing scheme pursuant to Sec. 4 above. The fulfilment of Basis Block requirements of products designated as “mandatory” is prerequisite for the fulfilment of the revenue sharing and to receive incentives for the revenue sharing scheme, whereby 2 exceptions per package are allowed.

Futures on	Product ID	Revenue Sharing Package	Mandatory	MSCI-ESG (all time zones)	
				Size in Lots	Max. Spread in Basis Points
MSCI USA ESG Screened (USD; NTR)	FMSU	MSCI-ESG		70	15
MSCI World ESG Screened (USD; NTR)	FMSW	MSCI-ESG	Y	70	15
MSCI EM ESG Screened (USD; NTR)	FMSM	MSCI-ESG	Y	50	15
MSCI EAFE ESG Screened (USD; NTR)	FMSF	MSCI-ESG		50	15
MSCI Japan ESG Screened (USD; NTR)	FMSJ	MSCI-ESG		50	15