

## eurex circular 044/16

**Date:** 1 April 2016  
**Recipients:** All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors  
**Authorized by:** Mehtap Dinc

**Mini-DAX<sup>®</sup> Futures:**  
**Extension and adjustment of Designated Market-Making**

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**Content may be most important for:**

☞ All departments

**Attachment:**

Eurex Clearing circular 044/16 including  
Designated Market Maker Agreement

**Summary:**

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to extend and adjust the Designated Market-Making in Mini-DAX<sup>®</sup> Futures **from 1 April until 31 December 2016**.

This circular contains all information on the extension and adjustment of the Designated Market-Making schemes. Information about the related decisions passed by Eurex Clearing AG are contained in Eurex Clearing circular 044/16 which we are providing to our Trading Participants as attachment.



**Mini-DAX® Futures:**  
**Extension and adjustment of Designated Market-Making**

**1. Overview**

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to extend and adjust the Designated Market-Making in Mini-DAX® Futures from 1 April until 31 December 2016.

- Refund of transaction fees on the M-account in the amount of 20 percent to Market Makers, provided the requirements of at least one of the schemes described below were fulfilled.
- The requirements of the existing Designated Market-Making (DMM) schemes („DMM1“ for European trading hours and „DMM2“ for U.S. trading hours) for Mini-DAX®-Futures remain unchanged.
- Additional schemes („DMM3“ for European trading hours and „DMM4“ for U.S. trading hours) with different requirements (tighter spreads, smaller minimum quote sizes) will be offered.
- For the DMM schemes, revenue sharing programmes will be offered with distribution of up to 25 percent of net revenues in in Mini-DAX®-Futures to the qualifying Market Makers.

**2. Market-Making**

Eurex Exchange offers interested Participants the possibility to participate in Market-Making for Mini-DAX® Futures.

As Designated Market Makers in Mini-DAX® Futures contracts, Eurex Participants agree to supply bid and ask prices (quotes) for a determined minimum number of contracts while observing defined maximum spreads within a determined period of time.

Four Designated Market-Making (DMM) schemes will be offered for Mini-DAX® Futures: DMM1 and DMM3 for European trading hours and DMM2 and DMM4 for U.S. trading hours. Both schemes entitle for refunds on transaction fees and the revenue sharing schemes. Multiple incentives will not be granted if the requirements are fulfilled in several schemes.

Please refer to the attachment for the application for Designated Market-Making in Mini-DAX® Futures.

**a) Quote obligations: Designated Market-Making in Mini-DAX® Futures**

Eurex product	Eurex product code	Scheme	Quotation time	Minimum quote size	Maximum spread
				Contracts on bid and ask side	In basis points
Mini-DAX® Futures	FDXM	DMM1	08:00 – 17:30 CET	10	10
Mini-DAX® Futures	FDXM	DMM2	15:30 – 22:00 CET	10	15
Mini-DAX® Futures	FDXM	DMM3	08:00 – 17:30 CET	2	4
Mini-DAX® Futures	FDXM	DMM4	15:30 – 22:00 CET	2	6

Minimum quotation time for all schemes must cover 80 percent of each of the specified trading hours. The front month must be quoted at all times; however, five exchange trading days prior to maturity, either the front month or the second maturity month may be quoted.

The quote obligations can be amended on a monthly basis.

During the Fast Market phase the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

**b) Refund of transaction fees**

Designated Market Makers (DMMs) in Mini-DAX<sup>®</sup> Futures receive a refund of 20 percent (currently: 30 percent) on transaction fees for the contracts concluded in Mini-DAX<sup>®</sup> Futures on M-accounts from 1 April 2016 until 31 December 2016 including. Fulfilment of quote obligations may be accomplished in any of the four schemes offered.

Refunds will be distributed on a monthly basis, provided the Market-Making obligations were fulfilled.

**c) Revenue sharing scheme for Designated Market Makers**

In addition, Designated Market Makers can qualify for the revenue sharing scheme in Mini-DAX<sup>®</sup> Futures. The schemes will run from 1 April until 31 December 2016 including.

Each Market Maker may qualify for only one of the schemes described below.

Distribution takes place on a monthly basis to the Market Makers who qualified. The detailed revenue allocation will be as follows:

**c1) Revenue sharing schemes DMM1 and DMM2**

The revenue sharing amount for schemes DMM1 and DMM2 is up to 15 percent (currently: 20 percent) of the net revenues (transaction fees minus Market Maker rebates) in Mini-DAX<sup>®</sup> Futures.

The maximum number of Market Makers who can qualify for revenue sharing schemes DMM1 and DMM2 is limited to six (currently: eight) per month. If not more than six Market Makers fulfil the Market Maker Obligations in a given month, 2.5 percent of net revenues will be distributed to each of those Market Makers. If more than six Market Makers fulfil in a given month, only those six Market Makers with the highest order book volumes on M-accounts in Mini-DAX<sup>®</sup> Futures will receive a share in revenue in this month.

**c2) Revenue sharing schemes DMM3 and DMM4**

The revenue sharing amount for schemes DMM3 and DMM4 is up to 10 percent of the net revenues (transaction fees minus Market Maker rebates) in Mini-DAX<sup>®</sup> Futures.

The maximum number of Market Makers who can qualify for revenue sharing schemes DMM3 and DMM4 is limited to two per month. If not more than two Market Makers fulfil the Market Maker Obligations in a given month, 5 percent of net revenues will be distributed to each of those Market Makers. If more than two Market Makers fulfil in a given month, only those two Market Makers with the highest order book volumes on M-accounts in Mini-DAX<sup>®</sup> Futures will receive a share in revenue in this month.

1 April 2016



## eurex clearing circular 044/16

**Date:** 1 April 2016  
**Recipients:** All Clearing Members of Eurex Clearing AG and Vendors  
**Authorized by:** Heike Eckert

### **Mini-DAX<sup>®</sup> Futures: Extension of Designated Market-Making schemes**

**Related Eurex Circular:** 044/16

**Contact:** Derivatives Clearing Supervision, T +49-69-211-1 12 50, [clearing@eurexclearing.com](mailto:clearing@eurexclearing.com),  
 Risk Control, T +49-69-211-1 24 52, [risk@eurexclearing.com](mailto:risk@eurexclearing.com)

**Content may be most important for:**

➔ All departments

**Attachment:**

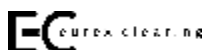
Designated Market-Making Agreement for Mini-DAX<sup>®</sup> Futures

Effective **1 April 2016**, the following measures of Eurex Clearing for Mini-DAX<sup>®</sup> Futures will come into effect:

- Extension of the Designated Market-Making schemes for Mini-DAX<sup>®</sup> Futures by nine months, i.e. from 1 April 2016 until 31 December 2016.
- Provided the Market-Maker obligations in Mini-DAX<sup>®</sup> Futures were fulfilled, Designated Market Makers will receive a refund of 20 percent (previously: 30 percent) on transaction fees for contracts concluded in Mini-DAX<sup>®</sup> Futures during this period.
- In addition, Designated Market Makers can qualify for the revenue sharing scheme during this period.
  - The revenue sharing amount for the schemes DMM1 and DMM2 is up to 15 percent (currently: 20 percent) of the net revenues (transaction fees minus Market Maker rebates) in Mini-DAX<sup>®</sup> Futures.
  - The revenue sharing amount for the new schemes DMM3 and DMM4 is up to 10 percent of the net revenues (transaction fees minus Market Maker rebates) in Mini-DAX<sup>®</sup> Futures.

The relevant conditions and details as well as the exact parameters of the Designated Market-Making schemes in Mini-DAX<sup>®</sup> Futures can be found in Eurex circular 044/16.

In order to sign-up as Designated Market Maker, please send the filled-out and signed form to Ralf Huesmann via fax +49-69-211-61 54 43 or via e-mail: [ralf.huesmann@eurexchange.com](mailto:ralf.huesmann@eurexchange.com).





**Please return by fax or e-mail to:**

Ralf Huesmann

**Fax no. +49-69-211-61 54 43**

**E-mail: [ralf.huesmann@eurexchange.com](mailto:ralf.huesmann@eurexchange.com)**

**Designated Market Maker Agreement  
for Futures on Mini-DAX<sup>®</sup> Futures**

dated as of \_\_\_\_\_

1. Eurex Frankfurt AG (“EFAG”) and Eurex Clearing AG (“ECAG”) and  
\_\_\_\_\_ (“Participant”)  
(name of Participant/Member ID)

hereby enter into this Designated Market Maker Agreement (the “Agreement”) for the period from 1 April 2016 until 31 December 2016 under the conditions outlined below with respect to the following products:

Eurex product	Eurex product code	DMM programme	Please tick (✓) the appropriate box
Mini-DAX <sup>®</sup> Futures	FDXM	DMM1	<input type="checkbox"/>
Mini-DAX <sup>®</sup> Futures	FDXM	DMM2	<input type="checkbox"/>
Mini-DAX <sup>®</sup> Futures	FDXM	DMM3	<input type="checkbox"/>
Mini-DAX <sup>®</sup> Futures	FDXM	DMM4	<input type="checkbox"/>

2. The Participant will
- Fulfil the Market-Making obligations as set out by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich (“Eurex Market-Making Obligations”) and published via Eurex circular. The current Eurex Market-Making Obligations for Futures on Mini- DAX<sup>®</sup> Futures were published in Eurex circular 044/16 and can be amended on a monthly basis.
  - Provide EFAG with the name of a manager, who has the authorisation and expertise necessary to fulfil the commitments required under the Eurex Market-Making Obligations.
  - Provide EFAG with the name of a manager who has the authorisation and expertise necessary to make decisions and act as coordinator for the Participant, who will be available for EFAG and ECAG with respect to this Agreement.
  - Inform EFAG in the event the Participant is or will be unable to fulfil the Eurex Market-Making Obligations without undue delay and at the latest within one business day.
3. ECAG will
- Refund 20 percent of all transaction fees (order book and off-book transactions on Eurex Exchange) for the contracts traded by the Designated Market Makers on M-accounts in the respective products up to 31 December 2016. Refunds will be paid in full only if the Eurex



Market-Making Obligations have been fulfilled in the month prior to the month in which they are payable. No refunds will be made for contracts traded on A- or P-accounts.

- b) Offer a revenue sharing where up to 25 percent of all net transaction-based revenues (transaction-based revenues in Mini-DAX<sup>®</sup> Futures after rebates) are shared on a monthly basis between in total up to eight Market Makers, who either fulfill the quote obligations of program DMM1, DMM2, DMM3 or DMM4.
  - Up to 15 percent are distributed evenly among up to six qualifying Market Makers of the schemes DMM1 or DMM2
  - Up to 10 percent are distributed evenly among up to two qualifying Market Makers of the schemes DMM3 or DMM4.
  
- 4. EFAG and ECAG shall, upon occurrence of one of the following events, be entitled to terminate this Agreement:
  - a) The Participant does not comply with the Eurex Market-Making Obligations for four consecutive months counted as of the date of this Agreement. Conformance of the Participant with the Eurex Market-Making Obligations shall be monitored by EFAG. EFAG will determine in its sole discretion whether the Participant has fulfilled the Eurex Market-Making Obligations.
  - b) The Participant does not comply with any other of its obligations stated under No. 2 above.
  
- 5. The Participant shall, upon occurrence of one of the following events, be entitled to terminate this Agreement:
  - 1. A significant change in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich for the aforementioned products.
  - 2. A significant change to the Eurex Market-Making Obligations.
  
- 6. The Participant and EFAG and ECAG shall severally be entitled to terminate this Agreement without giving any reason with one calendar month's prior notice.

**SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)**

\_\_\_\_\_  
Place, date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Fax

\_\_\_\_\_  
(Signature/Stamp of the company)

\_\_\_\_\_  
E-mail address

Please send the completed Agreement to the fax number indicated above.