

clear to trade



eurex clearing circular 157/16

Date: 30 December 2016
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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EURO STOXX 50[®] Index Total Return Futures (TESX): Admission to EFPI Trade Service

Related Eurex Clearing circular: 127/16

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Content may be most important for:

➡ All departments

Attachment:

Amended section of the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation)

As of **16 January 2017**, the following amendment to the Conditions for Utilization of the Eurex Trade Entry Services (General Conditions for Participation) for Eurex Clearing AG will become effective:

- Admission of EURO STOXX 50[®] Index Total Return Futures to the EFPI Trade Service

The amendment will allow entry of futures contracts on the EURO STOXX 50[®] Index (FESX) into the EFPI Trade Service when these are traded as a hedge against Index Total Return Futures contracts on EURO STOXX 50[®] (TESX) in sizes of 100 contracts or more.



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HRB Nr. 44828
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Frankfurt/Main

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

1 Scope of Application

[...]

2 Subject Matter

2.2 Exchange for Physicals (for Index Futures/FX Futures) Trades

2.2.1 The Exchange for Physicals (for Index Futures/FX Futures) Trade (“**EFPI**”) Service allows Participants – after off-book conclusion of ~~cash~~basis transactions pursuant to Number 11 for their own account or on behalf of a customer concerning the purchase of an object of purchase as defined in Number 11 and the simultaneous sale of Index Futures Contracts/ FX Futures Contracts, or vice versa – to enter, pursuant to the provisions set out below, the futures contracts into the Eurex Clearing System by means of a request to be sent to the respective Participant's interface, and to have them cleared.

Basically, in this context the system allows for entry of the following constellations:

2.2.1.1 Classical EFPI Trades

- Two Participants conclude both the Off-Book ~~cash~~basis transaction as well as the futures transaction with one another or
- Two Participants conclude the futures transaction with one another.

One Participant is an official Exchange Traded Fund (ETF) Market Maker (“**Authorised Participant**”) who concludes the respective cash transaction with the ETF-issuer. The second Participant concludes the respective cash transaction with one or more (auction) third party/ies.

- The cash transactions concluded by the contractual parties of a futures transaction do not have to relate to an identical transaction object. However, each transaction has to satisfy the prerequisites as set forth in Number 11 below.

[...]

8 Mandatory Data Entries

[...]

8.2 EFPI Trade Service (Off-Book EFPI Trade Entry)

[...]

8.2.1 When entering an EFPI futures contract into the Eurex System by means of the EFPI Trade Service, the initiator of the index contracts must, when purchasing stock index and volatility index futures contracts, enter:

- the future contract traded (Instrument, expiration month and expiration year)
- the contract price;
- the number of contracts;
- the reference number of the share basket or the Share of Exchange-Traded Funds;
- the market value of the share basket or the Share of Exchange-Traded Funds;
- the open/close indicator;
- the position account and
- the user identification code of the counterparty for the system of the Eurex exchanges

and, when purchasing FX Futures Contracts, enter:

- the traded futures contract (instrument, expiration month and year);
- the contract price;
- the number of contracts;
- the open/close indicator;
- the position account;
- the Eurex exchange system user identification code of the counterparty's trader;
- the nominal value of the opposite FX transaction and
- the reference number (identification number) of the opposite FX transaction.

When trading Stock Index Futures Contracts in relation to a Trade at Index Close, the following information has to be entered:

- in the entry field "**RefID**" of the input mask an indication that it is a futures trade in relation to a Trade at Index Close ("**TAIC**") and,

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- for co-related transactions in the case of a transaction being split into several futures trades in the same product, also the reference number (TranNo) of the Trade at Index Close transaction first being entered
- and in the entry field „Text3“ of the input mask, enter:
- the basis agreed upon in relation to the Guaranteed Price.

When trading Stock Index Futures Contracts in relation to Index Total Return Futures Contracts, the following information has to be entered:

- in the entry field “RefID” of the input mask an indication that it is a futures trade in relation to an Index Total Return Futures Contracts (“TRF”) and,
- the reference number (TranNo) of the Index Total Return Futures transaction.

For volatility index futures versus volatility index futures pursuant to Number 11.2 the following data must be provided for the Non-EurexFuture to be reported, i.e. Future does not create position in Eurex Clearing:

- ISIN = Name of the Future to be reported
- Nominal value = Number of Futures contracts
- Cash price = price of the Future contract
- Expiration date = expiration date of volatility index Futures contract

[...]

11 ~~Cash~~ Transactions related to for the EFPI Trade Service**11.1 Stock Index Futures Contracts**

The following combinations of ~~underlying~~ instruments and Stock Index Futures contracts have been admitted by Eurex Clearing AG:

Admitted underlying instruments (reporting transaction)	Position-creating transaction
Share Basket	Eurex Stock Index Futures contracts
Exchange-traded index fund share	Eurex Stock Index Futures contracts
<u>Index Total Return Futures Contracts on EURO STOXX 50® (TESX)</u>	<u>Futures Contracts on the EURO STOXX 50® Index (FESX)</u>

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~~Cash +~~ Transactions which are part of related to an EFPI trade pursuant to Number 2.2 must fulfil the prerequisites listed below.

The number of the traded futures contracts must be in a specified ratio to the market value of the shares basket or the Share of Exchange-Traded Funds. The market value of the share basket or the Share of Exchange-Traded Funds, at minimum, has to amount to one third of the transaction value of the minimum transaction volume for a block trading transaction in the respective index future (i.e. index level multiplied by contract value multiplied by minimum Block Trades transaction volume, such product being divided by 3) and must not deviate from the contract value of the futures position by more than 20 per cent at maximum. The requirements in the market value of the share basket or the Share of Exchange-Traded Funds shall not be applicable to a Trade at Index Close.

The share basket or Share of Exchange-Traded Funds has to consist of at least 10 different index components or a number of share titles which represent at least half of the share index underlying the futures contract. The market value of the part of the share basket or Share of Exchange-Traded Funds whose values are part of the share index underlying the futures contract, must be at least 20 per cent of the market value of the entire cash transaction. All share values in the share basket or Share of Exchange-Traded Funds must be part of the STOXX Europe TMI Index, the MSCI World Index, the MSCI Emerging Markets Index, the MSCI Frontier Markets Index, the ATX® Index, the CECE® EUR Index, the RDX® USD Index, the TA-25 Index or the SENSEX Index.

With regard to futures trades which are part of an EFPI trade pursuant to Number 2.2.1.2 Trade at Index Close, or Index Total Return Futures, the minimum number of contracts to be traded is one tenth of the minimum number of tradable contracts specified with regard to Block Trades in the respective index future pursuant to Number 9.4.

[...]
