



## eurex circular 021/17

**Date:** 3 March 2017  
**Recipients:** All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors  
**Authorized by:** Mehtap Dinc

**Eurex Daily Futures contracts on KOSPI-200 derivatives:  
Change of contract sizes and suspension of trading on 24 March 2017**

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**Content may be most important for:**

➡ All departments

**Attachments:**

1. Adjusted sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Designated Market-Making Scheme for Eurex Daily Futures on Mini KOSPI-200-Futures - Quote Obligations
3. Eurex Clearing circular 022/17

**Summary:**

The contract sizes of KOSPI-200 derivatives listed at Korea Exchange (KRX) will change with effect from **27 March 2017**. As positions in Eurex Daily Futures contracts on KOSPI-200 derivatives (FMK2, OKS2) are only available on the next trading day at KRX, conversion of the products admitted to trading at Eurex would need to take place on 24 March 2017 already. However, in order to avoid the operational risk that would be involved with an intra-day conversion, trading in the products FMK2 and OKS2 at Eurex will be suspended on **24 March 2017**.

The change in contract sizes of the Eurex Daily Futures contracts on KOSPI-200 derivatives will therefore take place with effect from **27 March 2017**.

This circular provides further details regarding the following topics:

1. Adjustments in the production environment
2. Conversion in the simulation environment
3. Adjustment of Rules and Regulations
4. Adjustment of Market Maker Obligations.



**Eurex Daily Futures contracts on KOSPI-200 derivatives:**  
**Change of contract sizes and suspension of trading on 24 March 2017**

The contract sizes of KOSPI-200 derivatives listed at Korea Exchange (KRX) will change with effect from 27 March 2017. As positions in Eurex Daily Futures contracts on KOSPI-200 derivatives (FMK2, OKS2) are only available on the next trading day at KRX, conversion of the products admitted to trading at Eurex would need to take place on 24 March 2017 already. However, in order to avoid the operational risk that would be involved with an intra-day conversion, trading in the products FMK2 and OKS2 at Eurex will be suspended on 24 March 2017.

**1. Adjustments in the production environment**

Contract sizes of KOSPI-200 derivatives listed at the Korea Exchange (KRX) will change with effect from 27 March 2017. The new contract sizes are as follows:

- Eurex Daily Futures on Mini-KOSPI-200 Futures (FMK2):       KRW 50,000
- Eurex Daily Futures on KOSPI-200 Options (OKS2):         KRW 250,000

As positions in Eurex Daily Futures contracts on KOSPI 200 derivatives (FMK2, OKS2) are only available at KRX on the next trading day, conversion for the products admitted to trading at Eurex would have to take place effective 24 March 2017 already. Since - from the Clearing Members' and Trading Participants' perspective - an intra-day conversion would mean an increased operational risk, trading in the Eurex Daily Futures contracts on KOSPI 200 derivatives (FMK2, OKS2) will be suspended on 24 March 2017.

Therefore, the change in contract sizes of Eurex Daily Futures contracts on KOSPI 200 derivatives will be done effective 27 March 2017.

**Please note: Eurex Participants might be required to adjust the settings in their systems to the new contract size for all series.**

**2. Conversion in the simulation environment**

Eurex Participants will have the opportunity to test the new contract sizes in the simulation environment starting 9 March 2017.

**3. Adjustment of Rules and Regulations**

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG took the following decisions with effect from 27 March 2017:

- a) Adjustment of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (number 1.16.6) (see attachment 1);
- b) Suspension of trading in Eurex Daily Futures on KOSPI-200 derivatives (FMK2, OKS2) on 24 March 2017.

Furthermore, the change of contract sizes requires an adjustment of the Price List of Eurex Clearing AG. Please refer to Eurex Clearing circular 022/17 (see attachment 3) for the adjustment of the Price List.

#### **4. Adjustment of Market Maker Obligations**

Following the reduction in contract size, the minimum quote volume for Market Makers in Eurex Daily Futures on KOSPI-200 derivatives will be adjusted with effect from 27 March 2017 as follows:

Eurex Daily Futures on Mini-KOSPI-200-Futures (FMK2):

- First maturity: 20 contracts

Eurex Daily Futures on KOSPI-200 options (OKS2):

- First maturity: 20 contracts
- Second maturity: 10 contracts

All other Market Maker Obligations remain unchanged.

Please refer to attachment 2 for the adjusted Market Maker Obligations for FMK2.

As of the effective date, you will find the adjusted Market Maker Obligations for OKS2 on the Eurex website [www.eurexchange.com](http://www.eurexchange.com) under the following link:

**Trading > Market-Making Options**

3 March 2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

**1.15.6 Price Gradations**

The smallest price change (tick) is:

- For Eurex Daily Futures Contracts on Mini KOSPI 200 Futures 0.02 points; this equals a value of KRW 1,000
- For Eurex Daily Futures Contracts on KOSPI 200 Options:
  - 0.05 points; this equals a value of KRW ~~25,000~~12,500 if the options premiums of the underlying are at least ten points,
  - 0.01 points; this equals a value of KRW ~~5,000~~2,500 if the options premiums of the underlying are less than ten points.

[...]

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## **Designated Market-Making Scheme for Eurex Daily Futures on Mini KOSPI-200-Futures**

### **Quote Obligations**

<b>Eurex code:</b>	<b>FMK2</b>
<b>Minimum quote size:</b>	20 contracts on the bid and ask side
<b>Maximum spread:</b>	10 ticks/0.20 index points
<b>Quotation period:</b>	70 percent of the trading period from 10:00 to 17:30 CET (11:00 to 17:30 CET) on a monthly average
<b>Expirations to be quoted:</b>	Front month (via the M-account) Five trading days before expiry, quote either the front month or the next expiration months
<b>Fast Market:</b>	Maximum spread will be increased by 100 % Minimum quote size will be reduced by 50 %



## eurex clearing circular 022/17

**Date:** 3 March 2017  
**Recipients:** All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors  
**Authorized by:** Thomas Laux

<b><u>Eurex Daily Futures contracts on KOSPI-200 derivatives: Suspension of trading on 24 March 2017 and amendment to the Price List of Eurex Clearing AG</u></b>	
<b>Related Eurex circular:</b> 021/17	
<b>Contact:</b> Your Key Account Manager Clearing	
<b>Content may be most important for:</b> ➔ All departments	<b>Attachment:</b> Amended sections of the Price List of Eurex Clearing AG
<p>The contract sizes of KOSPI-200 derivatives listed at Korea Exchange (KRX) will change with effect from 27 March 2017. As positions in Eurex Daily Futures contracts on KOSPI-200 derivatives (FMK2, OKS2) are only available on the next trading day at KRX, conversion of the products admitted to trading at Eurex would need to take place on 24 March 2017 already. However, in order to avoid the operational risk that would be involved with an intra-day conversion, trading in the products FMK2 and OKS2 at Eurex will be suspended on 24 March 2017. Consequently, on 24 March 2017, no clearing will take place in these products.</p> <p>The transaction fees in these products will be calculated as percentage on the contract value per contract. As of <b>27 March 2017</b>, the amendments to the Price List of Eurex Clearing AG (Price List) will become effective with these changes in contract sizes according to the attachment.</p> <p>Please refer to Eurex circular 021/17 for the corresponding details to the change in contract sizes in the Eurex Daily Futures contracts on KOSPI-200 derivatives.</p> <p>Pursuant to Number 14 Paragraph 3 of the Price List, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing AG within ten (10) business days after publication.</p>	

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INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

**3.1 Matching / Recording of Derivatives Transactions (Trade)****3.1.1 Order Book Transactions**

For transactions executed via the order book on the Eurex Exchanges, the following fees per contract apply. For some products specified in the table below, a reduced fee is applied on the contract volume of a transaction that exceeds the defined threshold. For transactions booked on M-Accounts, the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to Stock Futures that are correctly booked on M-accounts. In these cases, the sliding fee scale as defined in sentence 2 applies.

Contract <sup>1)</sup>	Currency	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold A-Accounts (number of contracts)	Threshold P-Accounts (number of contracts)
[...]					
<b>Equity Index Derivatives</b>					
<b>Futures</b>					
[...]					
Eurex Daily Futures-Contracts on KOSPI 200 Options <sup>5)</sup>	KRW	0.04%	n. a.		
Eurex Daily Futures Contracts on Mini KOSPI 200 Futures <sup>5)</sup>	KRW	0.0003%	n.a		
[...]					

[...]

- 5) The fees for transactions in Eurex Daily Futures Contracts on KOSPI 200 Options are defined as a percentage of the premium per contract, i.e. the percentage from the table above times the traded price times the contract value of ~~500~~250,000 South Korean Won (KRW).

The fees for transactions in Eurex Daily Futures Contracts on Mini KOSPI 200 Futures are defined as a percentage of the contract value per contract, i.e. the percentage from the table above times the traded price times the contract value of ~~400~~50,000 South Korean Won (KRW).

[...]

**Price List of Eurex Clearing AG****3.1.2 Off-Book Transactions**

- (1) For transactions executed off-book and entered into the Eurex System via the Eurex Trade Entry Services (as described in the General Conditions for Participation), the following fees per contract apply. For some products specified in the table below a reduced fee is applied on the contract volume of an off-book transaction entered into the Eurex System that exceeds the defined threshold. For transactions booked on M-Account the fee defined in the "Standard Fee" category is applied.

Sentence 3 does not apply to transactions in stock futures that are correctly booked on M-accounts. In these cases the sliding fee scale as defined in sentence 2 applies.

- (2) For off-book transactions in products other than stock options/LEPOs and Options on Interest Rate Futures that are entered into the Eurex System via the Eurex Trade Entry Service for multilateral trades (Multilateral Trade Registration Service) the standard fee is applicable on the entire volume of the transaction. In these cases, the reduced fee is not applied.

Contract	Currency	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold A-Accounts (number of contracts)	Threshold P-Accounts (number of contracts)
[...]					
<b>Equity Index Derivatives</b>					
<b>Futures</b>					
[...]					
Eurex Daily Futures Contracts on KOSPI 200 Options <sup>5)</sup>	KRW	0.04%	n. a.		
Eurex Daily Futures Contracts on Mini KOSPI 200 Futures <sup>5)</sup>	KRW	0.0003%	n. a.		
[...]					

[...]

- 5) The fees for transactions in Eurex Daily Futures Contracts on KOSPI 200 Options are defined as a percentage of the premium per contract, i.e. the percentage from the table above times the traded price times the contract value of ~~500~~250,000 South Korean Won (KRW).

The fees for transactions in Eurex Daily Futures Contracts on Mini KOSPI 200 Futures are defined as a percentage of the contract value per contract, i.e. the percentage from the table above times the traded price times the contract value of ~~400~~50,000 South Korean Won (KRW).

[...]

[...]

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