



## Eurex Circular 096/18

# 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 on **8 November 2018**.

The amendments will pave the way for several strategic initiatives which Eurex Deutschland will introduce, including the Trading Hours Extension, the Passive Liquidity Protection as well as accommodating changes related to Eurex Improve, Eurex T7 Entry Services and to the most recent amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions).

**Date:** 6 December 2018

**Recipients:**

All Trading Participants of Eurex Deutschland and Vendors

**Authorized by:**

Michael Peters

**Target groups:**

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

**Contact:**

Your Key Account Manager Trading

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

### 1. Amendments related to the Trading Hours Extension

In order to reduce the operational requirements for Trading Participants, § 31 (6) is added to the Exchange Rules. Furthermore, § 53 (4) of the Exchange Rules is modified so that

- a) Participants, who do not have open orders in the order book during the extended trading hours and do not participate in trading, do not have to be available during these hours,
- b) Participants, who do have open orders in the order book during the extended trading hours or actively participate in trading during these hours, need to ensure that a responsible person is at least available via telephone,
- c) Liquidity Providers, who do not quote and do not have open orders in the order book during the extended trading hours, do not have to be available during these hours.

The amendments regarding the Trading Hours Extension have been set effective on 3 December 2018.

In addition, certain parameters of the volume-based and transaction-based Order-to-Trade Ratios (OTR) for selected products in the appendix to § 17 b) of the Exchange Rules are modified to allow quoting during the extended trading hours. You will find the modified OTR parameters on the Eurex website [www.eurexchange.com](http://www.eurexchange.com) under the following link:

**<http://www.eurexchange.com/exchange-en/technology/order-to-trade-ratio>**

The Exchange Council of Eurex Deutschland has further approved the introduction of Stop-Limit-Orders. In a first step, Stop-Limit-Orders will be offered for all products which are in scope for the extended trading hours and will be activated on 5 December 2018. The definitions of Stop-Limit-Orders in section 3.4 of the Trading Conditions have therefore been modified and came into effect on 3 December 2018.

### 2. Amendments related to Passive Liquidity Protection

The planned introduction of Passive Liquidity Protection is currently under consultation with the market but likely to be introduced in early Q2 2019 and requires amendments to the handling of orders and quotes as specified in the Trading Conditions. Section 2.4 of the Trading Conditions is extended to allow for the processing and the deferral of aggressive orders before they impact the order book and allow likewise the introduction of the respective deferral time concept.

The amendments regarding Passive Liquidity Protection have been set effective on 3 December 2018.

### 3. Amendments related to Eurex Improve

With Eurex Improve, Section 2.7 is inserted to the Trading Conditions to allow the entry of a trading interest with an execution-secured client side which results to a Eurex Improve match event in the central order book of the exchange. Section 2.7 is also specifying general rules regarding the submission of such a trading interest, the price improvement period (waiting period) as well as the creation of a Eurex Improve match event. Clarifications on the effects of Eurex Improve on volatility interruptions and reference price determination have been added to the Trading Conditions respectively.

The proposed amendments regarding Eurex Improve will become effective upon approval of the waiver in line with the pre-trade transparency requirement pursuant to Article 9 (1) (a) of Regulation (EU) No 600/2014 and Article 4 of Delegated Regulation (EU) 2017/583, however, not earlier than 1 March 2019.

### 4. Amendments related to Eurex T7 Entry Services

Additional clarifications on the conclusion time of a Eurex T7 Entry (TES) trade are applied to section 4.4 of the Trading Conditions.

These amendments have been set effective on 3 December 2018.

## 5. Amendments related to the Clearing Conditions

With the launch of Release 4.1 of Eurex Clearing's C7 clearing architecture in December 2018, enhancements for Position Transaction Management will be introduced which have to also be reflected in section 5.4 of the Trading Conditions. In particular, position keeping in the Market Maker accounts will be changed from net to gross, i.e. positions may be open on both the long and the short side. Further, the transaction duration (lifetime of a transaction) will be extended to three days.

The amendments regarding the changes to the Eurex Clearing C7 Release 4.1 became effective on 3 December 2018.

In addition, planned adjustments to the Clearing Conditions to significantly reduce complexity and to benefit from legal and functional synergies imply changes to the Exchange Rules and to the Trading Conditions; these are for clarification and are legally no material changes.

These changes include:

- a) the omission of the tripartite clearing agreement between Clearing Member, Non-Clearing Member and Eurex Clearing AG,
- b) the abolishment of the term "Non-Clearing Member".

The amendments regarding the changes to the Clearing Conditions will be set effective on 28 January 2019.

If you have any questions or require further information, please contact your Key Account Manager Trading.

6 December 2018