

## **Product Specific Supplement for Equity Index-Futures on Euro STOXX Banks and STOXX Europe 600 and VSTOXX-Futures during Asian trading hours**

**Validity: Until 31<sup>st</sup> December 2023**

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### **Preamble**

This Product Specific Supplement for Equity & Volatility Index-Futures (hereinafter referred to as “Product Specific Supplement”) forms an integral part of the Liquidity Provider Agreement (LPA).

Six liquidity provider schemes and revenue sharing schemes are introduced for products, which are newly offered during Asian trading hours: STOXX Europe 600 Futures (FXXP), Euro STOXX Banks Futures (FESB) and VSTOXX Futures (FVS). As of 1 August 2023, a new stipend component will be added.

For the avoidance of doubt: For some of the products there might already be Liquidity Provider Schemes with or without monetary incentives in place. Those schemes will be independent of the scheme during Asian trading hours.

### **1) Applicable Building Blocks**

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	Product ID	Basis	Package	Strategy	Larger Size	Tighter Spread	Stress Presence	Revenue Sharing
		BBB	PBB	CBB	LBB	TBB	SBB	
THX-FESB 1	FESB	✓					✓	✓
THX-FESB 2	FESB	✓					✓	✓
THX-FXXP 1	FXXP	✓					✓	✓
THX-FXXP 2	FXXP	✓					✓	✓
THX-FVS 1	FVS	✓					✓	✓
THX-FVS 2	FVS	✓					✓	✓

The requirements for Strategy Block, Larger Size Block, Tighter Spread Block and Stress Presence 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. However, the fee rebates will only be granted for trading volumes in the order book (M-Account) during the extended trading hours from 01:00 am to 08:00 am CE(S)T, but not for the Eurex core trading hours. 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.

Products	Execution type	Building Block	Upon fulfilment of at least one scheme
FESB, FXXP, FVS	Order book	Basis	100%
		Package	-
		Strategy	-
		Larger Size	-
		Tighter Spread	-
		Total	100%

### 3) Building Block Requirements

#### a) Basis Block Requirements

In order to receive the Liquidity Provider rebates pursuant to Sec. 2 above, the following quotation requirements shall apply:

Euro STOXX Banks Futures	THX-FESB1	THX-FESB2
Quotation Period:	01:00 – 08:00 CE(S)T	
Required Coverage:	<del>80</del> 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 (Bid & Ask):	<del>75</del> <u>30</u> contracts	<del>150</del> <u>60</u> contracts
Maximum Spread:	<del>0.25</del> <u>35</u> absolute (Index Points)	<del>0.45</del> absolute (Index Points)

STOXX Europe 600 Futures	THX-FXXP1	THX-FXXP2
Quotation Period:	01:00 – 08:00 CE(S)T	
Required Coverage:	<del>80</del> 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 (Bid & Ask):	<del>20</del> <u>10</u> contracts	<del>50</del> <u>30</u> contracts
Maximum Spread:	<del>0.5</del> <u>7</u> absolute (Index Points)	<del>0.75</del> <u>9</u> absolute (Index Points)

VSTOXX Futures	THX-FVS1	THX-FVS2
Quotation Period:	01:00 – 08:00 CE(S)T	
Required Coverage:	<del>80</del> 70%	
Maturity Range:	The first two expiries need to be quoted	
Minimum Quote Size (Bid & Ask):	<del>30</del> <u>20</u> contracts	<del>60</del> <u>50</u> contracts
Maximum Spread:	See spread class below	See spread class below

Spread Class*	Bid up to	Maximum Spread	Unit
THX-FVS1	20	<del>0.30</del> <u>35</u>	absolute (Points)
	30	2.5%	percent
	40	3.5%	percent
	60	<del>6</del> <u>7.5</u> %	percent
	>60	<del>9</del> <u>11</u> %	percent
THX-FVS2	20	<del>0.40</del> <u>45</u>	absolute (Points)
	30	3.5%	percent
	40	<del>4</del> <u>5</u> %	percent

Spread Class*	Bid up to	Maximum Spread	Unit
	60	810%	percent
	>60	113%	percent

\*Deviating from section 2.3.1.2 of the General Supplement to the LPA the maximum BBB spread requirement shall be tripled during Stressed Market Conditions (SMC) pursuant to Section 2.2.1 of the General Supplement to the LPA.

#### 4) Other monetary incentive schemes:

##### ~~b)~~a) Revenue Sharing

The following revenue sharing scheme for Equity & Volatility Index Futures for trading volumes during the extended trading hours from 01:00 am to 08:00 am CE(S)T is offered up to and including 31 December 2023 in accordance with section 3.1.2 of the General Supplement to the LPA. The evaluation takes place on a monthly basis.

	FESB, FXXP, FVS
<b>Revenue Sharing Pool:</b>	Up to 50% of the net revenues generated in the Asian trading hours in the respective product
<b>Participation Condition:</b>	Fulfilment of Basis Block requirements in one of the two schemes per product
<b>Number of Participants:</b>	Up to 5
<b>Qualification criterion:</b>	The top 5 fulfilling Liquidity Providers participate; ranked according to their share of trading volume in M-accounts (order book) of all fulfilling Liquidity Providers
<b>Distribution Method:</b>	Distributed proportionally between all participating Liquidity Providers according to their share of trading volume in M-accounts (order book) in the respective product

VAT on the Revenue Sharing amounts shall be borne by the Liquidity Provider, if applicable, and will be offset against any due and unpaid Revenue Sharing amount.

##### b) Stipends

In addition to rebates and revenue sharing, also stipends are paid for the products as shown in the table below:

<b><u>Stipends:</u></b>	<b><u>Fixed incentives:</u></b> <u>Per product and month, 5,000 USD are paid to the Liquidity providers, who are fulfilling one of the two schemes.</u>
<b><u>Number of Participants:</u></b>	<u>Stipends are paid to a maximum of three Liquidity Providers in each product per month</u>
<b><u>Maximum pay-out</u></b>	<u>Should there be in any of the three products more Liquidity Providers, the stipends will only be paid to those, who have the highest number of traded contracts in that particular product in the order book (M-account only) during THX hours</u>
<b><u>Participation Condition:</u></b>	<u>Fulfilment of Basis Building Block requirement in one or more of the schemes during the offered quotation period</u>

For the avoidance of doubt: the stipends given to Liquidity Providers are additive to the revenue sharing incentives given to Liquidity Providers under the other schemes described in 4a.

VAT on the stipends shall be borne by the Liquidity Provider, if applicable, and will be offset against any due and unpaid incentives.

**Please note:** As theoretically members participating in the stipend scheme can receive incentives exceeding their actual fees, the stipends will be handled via invoices rather than the standard billing process. In order to receive a payment, eligible Liquidity Providers will be required to provide a quarterly invoice over the payment amount (as advised by Eurex) to: Eurex Frankfurt AG, Equity and Index Derivatives – Product Design, Mergenthalerallee 61, 65760 Eschborn, send via email to: ralf.huesmann@eurex.com.