

# Product Specific Supplement for FX Futures and FX Rolling Spot Futures

**Validity:** ~~1<sup>st</sup> January~~ ~~October~~ 2019 – 31<sup>st</sup> December 2027

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## Preamble

This Product Specific Supplement for FX Futures and FX Rolling Spot Futures (hereinafter referred to as “Product Specific Supplement”) forms an integral part of the Liquidity Provider Agreement (LPA).

A Liquidity Provider scheme for FX Futures and FX Rolling Spot Futures is offered as well as a combined revenue sharing scheme. Furthermore, an additional market share ~~scheme~~ ~~incentive~~ is offered for the period from ~~01 June 2018 to 31 December~~ ~~October~~ 2019; ~~until no longer than 31 March 2021 with a regular incentive period from 01 October 2019 until 30 September 2020 and an additional incentive period from 01 October 2020 until 31 March 2021 at the latest.~~

In case the growth plans targeted ~~are far~~ (see parameters table below (cp. Sec 4.2) are not reached within the expected growth (e.g. if average daily volumes are below 50% of the targeted ADV of 25.000 contracts, e.g. 12.500 contracts in Q4/2019), ~~additional incentive period from 01 October 2020 to 31 March 2021, Eurex Group~~ ~~Frankfurt AG shall have the right to terminate the program terms this PSS after 31 December 2019 by informing the participants registered March 2021 at any time with a one month notice.~~

~~The~~ This termination right shall apply in addition to the termination rights as set out in the LPA which shall remain unaffected ~~by the possibility of termination described above.~~

## 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 Scope	Basis	Package	Strategy	Larger Size	Tighter Spread	Stress Presence	Revenue Sharing
		BBB	PBB	CBB	LBB	TBB	SBB	
FX Futures Outrights	All FX Futures	✓	✓					✓
FX Futures Calendar Spreads	All FX Futures	✓	✓					✓
FX RS Futures	All FX Rolling Spot Futures	✓	✓					✓

## 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. Depending on the month the Package Block requirements will be fulfilled for the first time, the Liquidity Provider receives a package rebate of either 100% or 50%.

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.

Execution type	Building Block	First fulfilment latest by:	FX Futures Outrights	FX Futures Calendar Spreads	FX RS Futures
Order book	Basis		0%		0%
	Package	31.12.2020	100%		100%
		31.12.2027	50%		50%
	Total		50% / 100%		50% / 100%
Off-book*	Basis		0%		0%
	Package	31.12.2020	100%		100%
		31.12.2027	50%		50%
	Total		50% / 100%		50% / 100%

\* Only off-book block and multilateral transactions are eligible for off-book rebates for Liquidity Provisioning

### 3. Building Block Requirements

#### 3.1. Basis Block Requirements

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

	FX Futures Outrights	FX Futures Calendar Spreads	FX RS Futures
<b>Quotation Period:</b>	<del>Three</del> Four quotation periods are offered: Asian Time Zone: 00:00 – 12:00 CET European Time Zone: 07:00 – 19:00 CET US American Time Zone: 11:00 – 23:00 CET “Around the world”: 00:00 – 23:00 CET		
<b>Required Coverage:</b>	<del>80%</del> 65% of one of the three Asian, European or US American time zones or 60% of “Around the world” time zone		
<b>Maturity Range:</b>	The front quarterly month needs to be quoted  From two exchange days prior to the front month expiration, Liquidity Providers may elect to quote either the expiring front month or the second expiration month in order to fulfil their obligation.	Four calendar spreads need to be quoted (cp. Sec. 5)	The contract needs to be quoted
<b>Minimum Quote Size:</b>	See quotation parameters table below (cp. Sec. 5)		
<b>Maximum Spread:</b>	See quotation parameters table below (cp. Sec. 5)		

#### 3.2. Package Block Requirements

For each scheme a package is available with products on twelve currency pairs:

Currency Pair	FX Futures Outright	FX Futures Calendar Spreads	FX Rolling Spot Future Product ID
EUR/USD	FCEU	FCEU	RSEU
EUR/CHF	FCEF	FCEF	RSEF
EUR/GBP	FCEP	FCEP	RSEP
EUR/AUD	FCEA	FCEA	RSEA
EUR/JPY	FCEY	FCEY	RSEY
GBP/CHF	FCPF	FCPF	RSPF
GBP/USD	FCPU	FCPU	RSPU
USD/CHF	FCUF	FCUF	RSUF
AUD/USD	FCAU	FCAU	RSAU
USD/JPY	FCUY	FCUY	RSUY
NZD/USD	FCNU	FCNU	RSNU
AUD/JPY	FCAY	FCAY	RSAY

	FX Futures Outrights	FX Futures Calendar Spreads	FX RS Futures
<b>Package components:</b>	All twelve FX Futures, see table above		All twelve FX Rolling Spot Futures, see table above
<b>Fulfilment Criterion:</b>	Fulfilment of Basis Block requirements in 8Z out of 12 products of the package		
<b>Mandatory Products:</b>	FCEU, FCPU	FCEU, FCPU	RSEU, RSPU

#### 4. Other monetary incentive schemes

##### 4.1. Revenue Sharing

A combined revenue sharing scheme for FX Futures (outrights and calendar spreads) and for FX Rolling Spot Futures are offered as of 01 June 2018 until 31 December 2027 in accordance with section 3.1.2 of the General Supplement to the LPA. The evaluation takes place on a quarterly basis.

	FX Futures (outrights and calendar spreads)	FX Rolling Spot Futures
<b>Revenue Sharing Pool:</b>	Up to 50% of the net revenues (order book and off-book) minus 0.05 USD per traded contract of all 12 FX Futures in the respective quarter	Up to 50% of the net revenues (order book and off-book) minus 0.05 USD per traded contract of all 12 FX Rolling Spot Futures in the respective quarter
<b>Participation Condition:</b>	In all months in the respective quarter the Package Block requirements in the schemes "FX Futures" and "FX Rolling Spot Futures" need to be fulfilled in order to participate in the combined revenue sharing scheme. The requirements of the scheme "FX Futures (outrights and calendar spreads)" can be fulfilled by fulfilling the Package Block either of the outright scheme or the calendar spread scheme.	
<b>Number of Participants:</b>	Up to 10	Up to 10
<b>Qualification criterion:</b>	The top 10 fulfilling Liquidity Providers participate; ranked according to their share of trading volume on M- and P-accounts (order book and off-book) of all fulfilling Liquidity Providers in all 12 FX Futures	The top 10 fulfilling Liquidity Providers participate; ranked according to their share of trading volume on M- and P-accounts (order book and off-book) of all fulfilling Liquidity Providers in all 12 FX Rolling Spot Futures
<b>Distribution Method:</b>	<p>The revenue sharing pool will be distributed proportionally between all qualifying Liquidity Providers according to their share of weighted trading volume in M- and P-accounts (order book and off-book)</p> <p>Depending on the date the Liquidity Provider fulfils the participation condition for the revenue sharing scheme for the first time, the trading volume will be weighted with the following factors until the scheme expires:</p> <p>Weighting factors for FX Futures Outrights:</p> <p>Until 31.01.2019: 2.0            Until 31.12.2020: 0.8            Until 31.12.2022: 0.5            Until 31.12.2027: 0.2</p> <p>Weighting factors for FX Futures Calendar Spreads:</p> <p>Until 31.01.2019: 2.0            Until 31.12.2020: 0.4            Until 31.12.2022: 0.3            Until 31.12.2027: 0.1</p>	<p>The revenue sharing pool will be distributed proportionally between all qualifying Liquidity Providers according to their share of weighted trading volume in M- and P-accounts (order book and off-book)</p> <p>Depending on the date the Liquidity Provider fulfils the participation condition for the revenue sharing scheme for the first time, the trading volume will be weighted with the following factors until the scheme expires:</p> <p>Until 31.01.2019: 2.0            Until 31.12.2020: 0.8            Until 31.12.2022: 0.5            Until 31.12.2027: 0.2</p>
<b>Market Share:</b>	Artificial creation of market share will not be counted as market share and the Liquidity Provider might be excluded from the revenue sharing scheme for the respective period	

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.

## 4.2. Additional Market Share Incentive

An additional market share incentive of a ~~one-time share~~ total amount of -EUR 500.000 among up to five Liquidity Providers will be offered ~~once after 31 December~~. The additional market share incentive has a duration of up to 18 months starting 1<sup>st</sup> October 2019 ~~if the~~. The total amount is split into 12 monthly payments subject to target achievements of monthly average daily trading volume during Q4 2019 is equal to or higher than 25.000 contracts (single counted) cumulated over all twelve volumes (ADV). Each month is again split into 3 different targets, relating to the entire FX market (FX Futures and FX Rolling Spot Futures). The pay-out amount is cumulated when the respective levels of a month are reached. The following table shows the requirements for each month as well as the respective pay-out amounts.

~~In order to receive a share of the one-time payment of EUR 500.000 the Liquidity Provider must fulfil~~

Month	ADV Level 1	ADV Level 2	ADV Level 3	Pay-out for Level 1 (20%)	Pay-out for Level 2 (30%)	Pay-out for Level 3 (50%)	Maximum Pay-out in the month
1	1k	2k	3k	€ 3.000.00	€ 4.500.00	€ 7.500.00	€ 15.000.00
2	2k	3.5k	5k	€ 4.000.00	€ 6.000.00	€ 10.000.00	€ 20.000.00
3	3k	5k	7k	€ 5.000.00	€ 7.500.00	€ 12.500.00	€ 25.000.00
4	4k	6.5k	9k	€ 6.000.00	€ 9.000.00	€ 15.000.00	€ 30.000.00
5	5k	8k	11k	€ 7.000.00	€ 10.500.00	€ 17.500.00	€ 35.000.00
6	6k	9.5k	13k	€ 8.000.00	€ 12.000.00	€ 20.000.00	€ 40.000.00
7	7k	11k	15k	€ 8.000.00	€ 12.000.00	€ 20.000.00	€ 40.000.00
8	8k	12.5k	17k	€ 10.000.00	€ 15.000.00	€ 25.000.00	€ 50.000.00
9	9k	14k	19k	€ 10.000.00	€ 15.000.00	€ 25.000.00	€ 50.000.00
10	10k	15.5k	21k	€ 12.000.00	€ 18.000.00	€ 30.000.00	€ 60.000.00
11	11k	17k	23k	€ 13.000.00	€ 19.500.00	€ 32.500.00	€ 65.000.00
12	12k	18.5k	25k	€ 14.000.00	€ 21.000.00	€ 35.000.00	€ 70.000.00
<b>Bonus</b>	25k	37.5k	50k	20% of bonus pool	30% of bonus pool	50% of bonus pool	if available; to be determined

If all three ADV levels of a month were not reached in that month by any Liquidity Provider participating in this program, the ADV- and Pay-out Levels of the that month will remain active until at least one ADV and Pay-Out level of that month has been reached. Only after at least ADV Level 1- and Pay-Out level 1 of that month have been reached then the ADV- and Pay-Out Levels of the respective following month will become active.

In case only ADV level 1 or only ADV level 1 and 2 are reached in a month, the respective pay-out amounts for level 2 and/or 3 will be transferred into a separate bonus pool. This bonus pool will be distributed at the end of the additional market share incentive programme, if the target ADV levels related to "Bonus" (as shown in the table above) have been reached.

This additional market share incentive programme shall end at the earlier of either all 12 ADV targets Months have become active and the respective pay outs have been made or 31<sup>st</sup> March 2021.

In addition to the requirements as set out above the Liquidity Provider must fulfil in the respective month the package block requirements in one FX Futures scheme (outrights or calendar spreads) and additionally the package block requirements in the FX Rolling Spot Futures scheme in ~~40 months from 01 January 2019 until 31 December 2019~~.

~~order to participate in this additional market share incentive programme. The one-time payment of EUR 500.000 monthly payments will be distributed proportionally between all qualifying Liquidity Providers according to their weighted monthly share of trading volume in M- and P-accounts (order book and off-book) of all participating Liquidity Providers between 01 June 2018 and 31 December 2019. The weighting factors as defined in 4.1 will be applied.~~

Each month, Eurex will inform qualifying Liquidity Providers eligible for a payment under this additional market share incentive programme and advise on the respective payment amount by the 15<sup>th</sup> of the following calendar month. VAT on such amounts, if applicable, shall be borne by the Liquidity Provider. In order to receive a payment, eligible Liquidity Providers will be required to provide an invoice over the payment amount (as advised by Eurex) to: **Eurex Frankfurt, FX Product Design, Mergenthalerallee 61, 65760 Eschborn, or via email to: fx@eurexclearing.com**. Any invoice for a given calendar year must be received by Eurex before the 31<sup>th</sup> January of the following calendar year.

## 5. Quotation Requirements

### 5.1. Quotation parameters

FX Futures Outrights:

Currency Pair	Product ID	Expiration	Maximum Spread (ticks)	Basis Minimum Quote Size (contracts)
EUR/USD	FCEU	Q1	8	15
EUR/CHF	FCEF	Q1	15	10
EUR/GBP	FCEP	Q1	14	10
EUR/AUD	FCEA	Q1	45	10
EUR/JPY	FCEY	Q1	19	10
GBP/CHF	FCPF	Q1	32	10
GBP/USD	FCPU	Q1	18	20
USD/CHF	FCUF	Q1	13	10
AUD/USD	FCAU	Q1	13	10
USD/JPY	FCUY	Q1	8	10
NZD/USD	FCNU	Q1	16	10
AUD/JPY	FCAY	Q1	19	10

FX Futures Calendar Spreads:

Currency Pair	Product ID	Expiration	Maximum Spread (ticks)	Basis Minimum Quote Size (contracts)
EUR/USD	FCEU	1x2	6	50
		1x3	6	50
		2x3	6	50
		Q1xQ2	6	50
EUR/CHF	FCEF	1x2	7	50
		1x3	7	50
		2x3	7	50
		Q1xQ2	7	50
EUR/GBP	FCEP	1x2	7	50
		1x3	7	50
		2x3	7	50
		Q1xQ2	7	50
EUR/AUD	FCEA	1x2	9	25
		1x3	9	25
		2x3	9	25
		Q1xQ2	9	25
EUR/JPY	FCEY	1x2	8	25
		1x3	8	25
		2x3	8	25
		Q1xQ2	8	25
GBP/CHF	FCPF	1x2	9	25
		1x3	9	25
		2x3	9	25
		Q1xQ2	9	25
GBP/USD	FCPU	1x2	6	50
		1x3	6	50
		2x3	6	50
		Q1xQ2	6	50
USD/CHF	FCUF	1x2	7	25
		1x3	7	25
		2x3	7	25
		Q1xQ2	7	25
AUD/USD	FCAU	1x2	7	50
		1x3	7	50
		2x3	7	50
		Q1xQ2	7	50
USD/JPY	FCUY	1x2	6	50
		1x3	6	50
		2x3	6	50
		Q1xQ2	6	50
NZD/USD	FCNU	1x2	8	25
		1x3	8	25
		2x3	8	25
		Q1xQ2	8	25
AUD/JPY	FCAY	1x2	8	25
		1x3	8	25
		2x3	8	25
		Q1xQ2	8	25

FX Rolling Spot Futures:

Currency Pair	Product ID	Maximum Spread (ticks)	Basis Minimum Quote Size (contracts)
EUR/USD	RSEU	8	15
EUR/CHF	RSEF	15	10
EUR/GBP	RSEP	14	10
EUR/AUD	RSEA	45	10
EUR/JPY	RSEY	19	10
GBP/CHF	RSPF	32	10
GBP/USD	RSPU	18	10
USD/CHF	RSUF	13	10
AUD/USD	RSAU	13	10
USD/JPY	RSUY	8	10
NZD/USD	RSNU	16	10
AUD/JPY	RSAY	19	10