

## EURONEXT DERIVATIVES NOTICE

Amsterdam Market

No. NO171005DE1

Issue Date:

05 October 2017

Effective Date:

27 October 2017

### INTRODUCTION OF OPTIONS ON GERMAN STOCKS

#### Executive Summary

This notice informs Members of the introduction of options on German stocks and invites Members to apply for Liquidity Provider roles.

#### 1. Introduction

1.1 Euronext intends to launch options on German stocks on the Derivatives Market of Euronext Amsterdam. German Stock Options are options that have an underlying value that is listed on Deutsche Boerse (Xetra) ("German Stock Options"). Trading will start on 27 October 2017 (see attachment for contract specifications).

1.2 Stock options will be listed on the following Equity Securities:

Nr	Underlying	ISIN code	Option trading symbol
1	ADIDAS AG	DE000A1EWWW0	ADQ
2	ALLIANZ SE	DE0008404005	AZQ
3	BASF SE	DE000BASF111	BFQ
4	BAYER AG-REG	DE000BAY0017	BYQ
5	BAYERISCHE MOTOREN WERKE AG	DE0005190003	BWQ
6	DAIMLER AG-REGISTERED SHARES	DE0007100000	DMQ
7	DEUTSCHE BANK AG	DE0005140008	DBQ
8	DEUTSCHE POST AG-REG	DE0005552004	DPQ
9	DEUTSCHE TELEKOM AG-REG	DE0005557508	TKQ
10	E.ON SE	DE000ENAG999	EOQ
11	FRESENIUS SE & CO KGAA	DE0005785604	FSQ
12	MUENCHENER RUECKVER AG-REG	DE0008430026	MRQ
13	SAP SE	DE0007164600	APQ
14	SIEMENS AG-REG	DE0007236101	SIQ
15	VOLKSWAGEN AG-PREF	DE0007664039	VWQ

#### 2. Member onboarding

2.1 German Stock Options are cleared via LCH SA. When the options are exercised, the German shares are settled via Euroclear Bank. Please note that German Stock Options will be added to the current Amsterdam equity options segment. Members who wish to trade German Stock Options need to

The Euronext Markets comprise the markets operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and Euronext London, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets, as relevant. Euronext refers to Euronext N.V. and its affiliates.

make sure they have the proper membership arrangements in place. Members with access to the Amsterdam equity options market will automatically have access to trade German Stock Options. Please contact your relationship manager at [ccc@euronext.com](mailto:ccc@euronext.com) if you have questions about this. Membership extensions can be requested by returning the completed '[Euronext Derivatives Markets – Request for extension of trading activity’ form](#) (which is also available at [www.euronext.com/membership/admission-proces/membership-applications-extensions](http://www.euronext.com/membership/admission-proces/membership-applications-extensions)).

### 3. Post-trade readiness

- 3.1 Members should contact their Clearing Member to confirm the set-up for trading, clearing and settlement of German Stock Options.
- 3.2 The Clearing Member will need to verify with LCH SA the requirements for the clearing and settlement of German Stock Options, and ensure their readiness.

### 4. Trading fees

Trade Type	Fee per lot in €				
	COB & Large-in-Scale			Flex via AtomX	
	Trade size in lots <sup>1</sup>	Trading	Cap	Trading	Cap
Non-LP (House/Client)	1-500	0.07	€186.25 per posting	0.15	€186.25 per posting
	≥501	0.02			
LP <sup>2</sup>		0.02	€160 per posting		

<sup>1</sup>The trading fee per contract depends on the size of the trade; the fee of each band will be applied where appropriate. For example, for a trade with a trade size of 800 lots the following trading fee is charged: €0.07 up to 500 lots and €0.02 for the last 300 lots. In the case of a strategy trade, the trading fee is calculated for each individual leg of the strategy separately.

<sup>2</sup>LP fee applies to COB trades only, upon fulfilment of LP obligation.

A trading and clearing fee holiday will be applied until close of business on 29 December 2017 for members trading on Client / House account. For members trading on the LP account, a fee holiday will be applied until close of business on 30 March 2018. Fee holidays do not apply to exercise and assignment fees.

### 5. Corporate Actions Policy

- 5.1 German Stock Options are listed on the Euronext Amsterdam Derivatives Market. By way of derogation from the policy for all other option contracts that are listed on the Euronext Amsterdam Derivatives Market, after a ratio method adjustment no additional contract (O-class) will be introduced for German Stock Options. The amendments to the Corporate Action Policy will be explained in a separate Notice.
- 5.2 Note that Euronext already has Single Stock Futures (SSF) and Single Stock Dividend Futures (SSDF) listed on these 15 German underlying's. For these contracts the standard Amsterdam corporate action policy is applicable, so in the case of a ratio method adjustment an additional contract (O-class) will be introduced.

## 6. Clearing

German Stock Options are cleared via LCH SA. The German shares are settled via Euroclear Bank. Members who wish to trade German Stock Options therefore need the permission of their clearing member.

## 7. Liquidity Provider information

The Liquidity Provider information will be communicated by a separate Info-Flash.

## 8. Input Order Throttle

The input order throttle for German Stock Options is set at 8 messages per second.

## 9. Trading algorithm

The Price Pro Rata algorithm is used for these options. In this algorithm, priority is always given to orders at the best price (highest for a bid, lowest for an offer). However, if there are several orders at the best price level reached by the incoming order, equal priority is given to every order at this price and incoming volume is divided among these orders in proportion to their resting volume.

## 10. Trading Halt

10.1 If trading of the underlying(s) on Deutsche Boerse Xetra is halted, for either technical or regulatory reasons, Euronext N.V. will halt trading in the related options as soon as possible. In the case that trades occur in the period between the Deutsche Boerse Xetra trading halt and the Euronext N.V. trading halt, Euronext N.V. intends to keep these trades as valid trades. However, note that Euronext N.V. may decide to cancel these trades in the aim of maintaining a fair and orderly market.

## 11. Price Limits

11.1 Euronext hereby announces that the [Price Limit](#) Categories for German Stock Options which will apply to the Option classes are as follows:

Underlying	Code	Price Limit Group
ADIDAS AG	ADQ	4
ALLIANZ SE	AZQ	4
BASF SE	BFQ	4
BAYER AG-REG	BYQ	4
BAYERISCHE MOTOREN WERKE AG	BWQ	4
DAIMLER AG-REGISTERED SHARES	DMQ	4
DEUTSCHE BANK AG	DBQ	3
DEUTSCHE POST AG-REG	DPQ	3
DEUTSCHE TELEKOM AG-REG	TKQ	3
E.ON SE	EOQ	2
FRESENIUS SE & CO KGAA	FSQ	4
MUENCHENER RUECKVER AG-REG	MRQ	4
SAP SE	APQ	4
SIEMENS AG-REG	SIQ	4
VOLKSWAGEN AG-PREF	VWQ	4

The Price Limit Groups shown above refer to the current Price Groups applicable to Amsterdam and Brussels individual equity options.

## 12. Wholesale

The minimum size requirements for the Large-in-Scale facility are:

Underlying	Code	Large-in-Scale Size
ADIDAS AG	ADQ	500
ALLIANZ SE	AZQ	500
BASF SE	BFQ	500
BAYER AG-REG	BYQ	500
BAYERISCHE MOTOREN WERKE AG	BWQ	500
DAIMLER AG-REGISTERED SHARES	DMQ	500
DEUTSCHE BANK AG	DBQ	1,000
DEUTSCHE POST AG-REG	DPQ	1,000
DEUTSCHE TELEKOM AG-REG	TKQ	1,000
E.ON SE	EOQ	1,000
FRESENIUS SE & CO KGAA	FSQ	500
MUENCHENER RUECKVER AG-REG	MRQ	500
SAP SE	APQ	500
SIEMENS AG-REG	SIQ	500
VOLKSWAGEN AG-PREF	VWQ	500

For further information in relation to this Notice, contact your relationship manager at [ccc@euronext.com](mailto:ccc@euronext.com) or:

Global Analytics	+31 (0)20 721 4258	<a href="mailto:LEurope@euronext.com">LEurope@euronext.com</a>
Membership	+ 31 (0)20 721 4264	<a href="mailto:EuronextMembership@euronext.com">EuronextMembership@euronext.com</a>
EMS Derivatives desk	Telephone (calling from):	<a href="mailto:EMSDerivatives@euronext.com">EMSDerivatives@euronext.com</a>
	Belgium	+32 2 620 0585
	France	+33 1 8514 8585
	Portugal	+351 2 1060 8585
	The Netherlands	+31 20 721 9585
	UK	+44 20 7660 8585

**Attachment 1: The contract specifications of German Stock Options are as follows:**

Contract Size	100 shares
Trading Unit	100
Pricing Unit	1
Currency	Euro
Option Price	Premium x trading Unit
Minimum price movement (tick size and value)	If the premium of an order at order entry is below or equal to the premium threshold, the tick size is € 0.01 (€ 1 per contract) If the premium of an order at order entry is above the premium threshold, the tick size is € 0.05 (€ 5 per contract).  Large-in-Scale Facility : € 0.01 (€ 1 per contract)
Premium Threshold	5.00
Wholesale service	Large in Scale Facility, Guaranteed Cross, Request for Cross, AtomX (minimum size depends on the underlying and are available on our website <sup>1</sup> )
Trading hours	Central Order book: 09:01 - 17:30 CET Large-in-Scale Facility: 07:00 - 18:30 CET
Option style	American style
Expiry months	1, 2, 3 monthly; 6, 9, 12 months quarterly (of the March, June, September, December cycle); 18, 24, 30, 36 months half yearly (of the June, December cycle) .
Market	Amsterdam
Last trading day	Trading ceases at 17:30 CET on the third Friday of the expiry month. In the event that the third Friday is not a business day on Euronext or/and on Deutsche Boerse Xetra, the Last Trading Day shall normally be the last business day preceding the third Friday as long as both Euronext and Deutsche Boerse Xetra have a business day.
Settlement	Physical delivery of the shares through the settlement system of LCH SA. The German shares are delivered by Euroclear Bank.
Clearing	LCH S.A.
SPAN margin parameters	As determined by LCH S.A.
Algorithm	Central order book applies a Price Pro Rata trading algorithm. With this algorithm priority is given to orders at the best price (highest for a bid, lowest for an offer). If there are several orders at this best price, equal priority is given to every order at this price and incoming business is divided among these orders in proportion to their volume.

<sup>1</sup> [derivatives.euronext.com/sites/derivatives.euronext.com/files/wholesale\\_facilities.pdf](https://derivatives.euronext.com/sites/derivatives.euronext.com/files/wholesale_facilities.pdf)