

## EURONEXT DERIVATIVES NOTICE

Amsterdam Market

No. NO170502DE

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5 May 2017

### INTRODUCTION OF ADDITIONAL SINGLE STOCK DIVIDEND FUTURE ON US UNDERLYINGS

#### Executive Summary

This Notice informs Members of the introduction of additional Single Stock Dividend Futures on 57 US underlyings on the Amsterdam Derivatives Market.

#### 1. Introduction

- 1.1 Euronext intends to launch additional Single Stock Dividend Futures (SSDF) on the Amsterdam Derivatives Market in two tranches on **5 May 2017 and 12 May 2017**.
- 1.2 An SSDF is a future on the cumulative value of ordinary gross cash dividends declared by the relevant company over a one-year period. The period starts on the day following the third Friday in December (or January for US underlying) and ends on the third Friday in December (or January for US underlying), the expiry date one year later.
- 1.3 The underlying value of an SSDF is the dividend payments in relation to a contract size of 10,000 shares. The tick size is EUR/USD/CHF/NOK/SEK 0.0001 (EUR/USD/CHF/NOK/SEK 1 per contract) or GBX 0.01 (GBX 100 per contract) and open positions remaining after the last day of trading will lead to cash settlement. The full contract specifications are set out in attachment 1. The list of underlying values is shown in attachment 2.
- 1.4 Regarding Corporate Actions in SSDFs with US underlyings the following applies for technical reasons: in case of a Corporate Action where the price of the underlying is needed to calculate the adjusted contract specification, no trading is allowed in the respective SSDF on the effective date of the Corporate Action. The adjustment will be based on the official US close price of the underlying on the day before the effective date of the Corporate Action, and the changes to the referential of the SSDF contract will be entered into the system on the effective date.  
If the effective date is not a Euronext business day, the contract will also be closed the business day after the effective date. In case the effective date of an adjustable event is on the last trading day of the contract (normally the last trading day is a Friday), the expiry day will be changed to the following business day. Please note that trading in this case is not allowed on both the Friday and the following business day.

## 2. Liquidity Provider information

- 2.1 For the full Liquidity Provider Programme specifications including obligations and benefits please refer to the Liquidity Provider Programme Info-Flash which is available on the [Euronext website](#).
- 2.2 All Members are eligible to apply for a Liquidity Provider status.
- 2.3 Current Liquidity Providers in SSDFs on the Amsterdam market wishing to apply for a Liquidity Provider role should complete the Liquidity Provider **Update Form**.
- 2.4 Members who are currently not a Liquidity Provider in SSDFs on the Amsterdam market and wishing to apply for a Liquidity Provider role should complete the Liquidity Provider **Registration Form**.
- 2.5 Both the Update and Registration Forms are available on the [Euronext website](#).

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

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Attachment 1

**The contract specifications for Single Stock Dividend Futures are as follows:**

Contract size	Dividend payments in relation to a contract size of 10,000 shares
Unit of trading	10,000
Pricing unit/quotation	EUR/USD/CHF/GBX/NOK/SEK per share
Minimum price movement (tick size and value)	EUR/USD/CHF/NOK/SEK 0.0001 (EUR/USD/CHF/NOK/SEK 1.00 per contract) GBX 0.01 (GBX 100.00 per contract)
Expiry months	12, 24, 36, 48 and 60 months (of the December cycle for non-US underlyings; of the January cycle for US underlyings)
Introduction of new expiry months	New expiry months are available for trading on the first business day after the expiry of a maturity
Wholesale services	Large-in-Scale Facility, AtomX (minimum size 10 contracts)
Trading hours	Central Order Book 09:00 – 17:30 CET Large-in-Scale Facility 07:00 – 18:30 CET
Trading platform	UTP
Algorithm	Central order book applies a price-time trading algorithm with priority given to the first order at the best price
Last trading day	Trading ceases at 12:00 CET on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
Settlement	Cash settlement based on the EDSP
Settlement day	First business day after the day on which the EDSP is published
Exchange Delivery Settlement Price (EDSP)	The final settlement value as established by Euronext at 12:00 (CET) on the third Friday of the expiry month, determined to four decimal places. <b>Dividend rules:</b> 1. The final settlement value is equal to the cumulative value of ordinary dividends declared by the relevant company without an adjustment for withholding taxes, tax credits or tax repayments. Declared ordinary dividends are taken into account if their ex-date falls on or between, the start and end date of the one-year reference period of the relevant expiry. For non-US underlyings, the reference period starts on the day following the third Friday in December and ends on the third Friday in December (the expiry date) one year later. For US underlyings, the reference period starts on the day following the third Friday in January and ends on the third Friday in January (the expiry date) one year later. 2. Dividends that are declared special or extraordinary by the issuer are normally excluded. 3. If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the cash equivalent is taken into account. If no cash value is declared by the issuer, the cash value will be determined based on the official closing price of the share on the relevant cash market on the cum-day (the business day prior to the ex-dividend date).

<p>Exchange Delivery Settlement Price (EDSP) - continued</p>	<p>4. If shareholders may choose between cash or shares, the cash option is chosen.</p> <p>5. A dividend future refers to a dividend that is paid in the same currency as the trading currency of the dividend future. If a dividend is declared in another currency than the futures contract currency, the published equivalent amount in the futures contract currency will be used ("equivalent dividend amount"); for clarification, the published equivalent amount should not be a converted value that is shown for informational purposes.</p> <p>If on the ex-date the published dividend amount is only available in a currency that deviates from the futures contract currency, the dividend amount will be converted ("converted dividend amount") using the reference rate for the cum-day (the business day prior to the ex-date). In principle the reference rate will be based on the foreign exchange reference rates as published daily by the ECB. When on or after the ex-date, but before the SSDF expiry date, the equivalent dividend amount is known (the amount is published by the company) the SSDF dividend amount is adjusted by replacing the converted dividend amount by the equivalent dividend amount. When the ex-date is before the SSDF expiry date but the equivalent dividend amount is not known before the SSDF expiry date, the converted dividend amount will be recalculated on the expiry date by using the reference rate of the previous business day.</p> <p>6. For cases not covered by these rules, Euronext will determine an appropriate adjustment or repayment to be made.</p>
<p>Clearing organization</p>	<p>LCH S.A.</p>

Regarding Corporate Actions in SSDFs with **US underlyings** the following applies for technical reasons: in case of a Corporate Action where the price of the underlying is needed to calculate the adjusted contract specification, no trading is allowed in the respective SSDF on the effective date of the Corporate Action. The adjustment will be based on the official US close price of the underlying on the day before the effective date of the Corporate Action, and the changes to the referential of the SSDF contract will be entered into the system on the effective date.

If the effective date is not a Euronext business day, the contract will also be closed the business day after the effective date. In case the effective date of an adjustable event is on the last trading day of the contract (normally the last trading day is a Friday), the expiry day will be changed to the following business day. Please note that trading in this case is not allowed on both the Friday and the following business day.

Attachment 2 - List of Single Stock Dividend Futures to be listed on the Amsterdam market.

Tranche 1

	Trading symbol	Name	ISIN code shares	Relevant Exchange	SSDF trading currency	Planned launch date
1	UY8	Amazon.com	US0231351067	NASDAQ GS	USD	5 May 2017
2	VB8	General Motors	US37045V1008	New York	USD	5 May 2017
3	VC8	Ford Motor	US3453708600	New York	USD	5 May 2017
4	VD8	Philip Morris	US7181721090	New York	USD	5 May 2017
5	VG8	Southern Co	US8425871071	New York	USD	5 May 2017
6	VH8	Duke Energy	US26441C2044	New York	USD	5 May 2017
7	VJ8	CME Group	US12572Q1058	NASDAQ GS	USD	5 May 2017
8	VL8	Conocophillips	US20825C1045	New York	USD	5 May 2017
9	VM8	Apple	US0378331005	NASDAQ GS	USD	5 May 2017
10	VQ8	Microsoft	US5949181045	NASDAQ GS	USD	5 May 2017
11	VR8	Exxon Mobil	US30231G1022	New York	USD	5 May 2017
12	VS8	Johnson&Johnson	US4781601046	New York	USD	5 May 2017
13	VU8	JPMorgan Chase & Co	US46625H1005	New York	USD	5 May 2017
14	VX8	General Electric	US3696041033	New York	USD	5 May 2017
15	VY8	AT&T	US00206R1023	New York	USD	5 May 2017
16	VZ8	Wells Fargo & Co	US9497461015	New York	USD	5 May 2017
17	YC8	Bank Of America	US0605051046	New York	USD	5 May 2017
18	YD8	Procter & Gamble	US7427181091	New York	USD	5 May 2017
19	YE8	Pfizer	US7170811035	New York	USD	5 May 2017
20	YF8	Chevron	US1667641005	New York	USD	5 May 2017
21	YG8	Verizon Communications	US92343V1044	New York	USD	5 May 2017
22	YH8	Home Depot	US4370761029	New York	USD	5 May 2017
23	YJ8	Comcast Corp-Class A	US20030N1019	NASDAQ GS	USD	5 May 2017
24	YL8	Merck & Co	US58933Y1055	New York	USD	5 May 2017
25	YM8	Intel	US4581401001	NASDAQ GS	USD	5 May 2017
26	YN8	Cisco Systems	US17275R1023	NASDAQ GS	USD	5 May 2017
27	YO8	Citigroup	US1729674242	New York	USD	5 May 2017
28	YP8	Visa Inc	US92826C8394	New York	USD	5 May 2017
29	YQ8	Walt Disney	US2546871060	New York	USD	5 May 2017
30	YR8	Coca-Cola	US1912161007	New York	USD	5 May 2017

Tranche 2

	Trading symbol	Name	ISIN code shares	Relevant Exchange	SSDF trading currency	Planned launch date
1	YT8	Pepsico	US7134481081	New York	USD	12 May 2017
2	YU8	UnitedHealth	US91324P1021	New York	USD	12 May 2017
3	YV8	IBM	US4592001014	New York	USD	12 May 2017
4	YW8	Altria Group	US02209S1033	New York	USD	12 May 2017
5	YX8	Oracle	US68389X1054	New York	USD	12 May 2017
6	YY8	Amgen	US0311621009	NASDAQ GS	USD	12 May 2017
7	ZB8	3M	US88579Y1010	New York	USD	12 May 2017
8	ZC8	Medtronic	IE00BTN1Y115	New York	USD	12 May 2017
9	ZD8	Schlumberger	AN8068571086	New York	USD	12 May 2017
10	ZE8	Wal-Mart Stores	US9311421039	New York	USD	12 May 2017
11	ZF8	McDonalds	US5801351017	New York	USD	12 May 2017
12	ZG8	Mastercard - A	US57636Q1040	New York	USD	12 May 2017
13	ZH8	AbbVie	US00287Y1091	New York	USD	12 May 2017
14	ZJ8	Boeing	US0970231058	New York	USD	12 May 2017
15	ZK8	Honeywell International	US4385161066	New York	USD	12 May 2017
16	ZL8	Bristol-Myers Squibb	US1101221083	New York	USD	12 May 2017
17	ZM8	Gilead Sciences	US3755581036	NASDAQ GS	USD	12 May 2017
18	ZQ8	Broadcom	SG9999014823	NASDAQ GS	USD	12 May 2017
19	ZR8	Union Pacific	US9078181081	New York	USD	12 May 2017
20	ZS8	Goldman Sachs Group	US38141G1040	New York	USD	12 May 2017
21	ZT8	Starbucks	US8552441094	NASDAQ GS	USD	12 May 2017
22	ZU8	Qualcomm	US7475251036	NASDAQ GS	USD	12 May 2017
23	ZV8	United Technologies	US9130171096	New York	USD	12 May 2017
24	ZW8	US Bancorp	US9029733048	New York	USD	12 May 2017
25	ZX8	Eli Lilly & Co	US5324571083	New York	USD	12 May 2017
26	ZY8	Texas Instruments	US8825081040	NASDAQ GS	USD	12 May 2017
27	ZZ8	CVS Health	US1266501006	New York	USD	12 May 2017