

## EURONEXT DERIVATIVES NOTICE

Amsterdam Market

No. NO190704DE

Issue Date:

04 July 2019

Effective Date:

12 July 2019

### INTRODUCTION OF ADDITIONAL OPTIONS ON GERMAN STOCKS

#### Executive Summary

This notice informs Members of the introduction of additional options on German stocks and invites Members to apply for Market Maker roles.

#### 1. Introduction

- 1.1 Euronext intends to launch additional 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"). The launch of the options is planned for **12 July 2019** (see attachment for contract specifications).
- 1.2 Stock options will be listed on the following Equity Securities:

	Underlying	ISIN-code	Option trading symbol
1	Infineon Technologies AG	DE0006231004	NTQ
2	K+S	DE000KSAG888	KSQ
3	Deutsche Lufthansa AG	DE0008232125	LUQ
4	ProSiebenSat.1 Media	DE000PSM7770	PSQ
5	RWE	DE0007037129	RWQ
6	Wirecard	DE0007472060	WCQ

- 1.3 German Stock Options are cleared via LCH SA. When the options are exercised, the German shares are settled via Euroclear France.
- 1.4 Members should contact their Clearing Member to confirm the set-up for trading, clearing and settlement of German Stock Options. 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.
- 1.5 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.

- 1.6 The Price Pro Rata algorithm is used for these options. In this algorithm, priority is 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.
- 1.7 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.

## **2. Market Maker information**

- 2.1 The obligations and benefits for Market Makers are described in the Market Making Scheme for Derivative Markets document as published on the [Euronext website](#).

Members are informed that the maximum bid/offer spreads and minimum order sizes will be available on the [Euronext website](#) in the document named “Derivatives Market Maker Commitments per product”.

- 2.2 The spread and size obligations as well as the mass quote setup, the grouping of classes and an overview of Market Makers per product are described in the document named “Derivatives Market Maker Commitments per product” that is available on the [Euronext website](#). Euronext may update the content of this document when it deems necessary.

- 2.3 Qualifying Members wishing to apply for a Market Maker role should complete the online Market Making Registration Form available on our Connect2 portal at [connect2.euronext.com](https://connect2.euronext.com). By submitting the Market Making Registration Form the member will confirm the Market Making Agreement. The [Market Making Agreement](#), as published on the Euronext website will consist of the following:

- Market Making General Terms and Conditions.
- Market Making Operational Terms.
- Market Making Registration Form and, where appropriate, any Update Form.

## **3. Price Limits**

- 3.1 Euronext hereby announces that [Price Limit](#) Category 4 for Frankfurt Individual Equity Options will apply to the Option classes.

Further information:

**Operational Client Services Desk** [clientsupport@euronext.com](mailto:clientsupport@euronext.com)

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Attachment

The contract specifications of German stock options are as follows:

	Underlying	ISIN-code	Option trading symbol	LIS Threshold
1	Infineon Technologies AG	DE0006231004	NTQ	500
2	K+S	DE000KSAG888	KSQ	250
3	Deutsche Lufthansa AG	DE0008232125	LUQ	500
4	ProSiebenSat.1 Media	DE000PSM7770	PSQ	250
5	RWE	DE0007037129	RWQ	250
6	Wirecard	DE0007472060	WCQ	250

Contract size	100 shares
Trading unit	100
Pricing unit	1
Currency	Euro
Option price	Premium x trading unit
Minimum price move	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) The premium threshold is set at € 5.00 Large-in-Scale Facility: € 0.01 (€ 1 per contract)
Wholesale services	Large-in-Scale Facility, Guaranteed Cross Trades, Request For Cross (minimum size 1)
Trading hours	Central Order Book, Guaranteed Cross, Request For Cross 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)
Last day of trading	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 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 France.
Clearing organization	LCH S.A.
Trading 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.