



# Turquoise

London Stock Exchange Group

# TURQUOISE DERIVATIVES MARKET MAKING

**Version 2.6**

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# 1. Revision History

Date	Version	Sections updated	Notes
1 May 2011	1.1	All	First published to website
1 June 2011	1.2	2.1; 2.2; 2.3; 2.5; 2.6	Changes to spread requirements, addition of further information from Rulebook, note added on charging structure
23 September 2011	1.3	2.1; 2.1.5; 4; All new sections	UK Index options (FTSE100) obligations, sections covering remaining IOB and Norwegian products, Sberbank obligations added
31 October 2011	2.1	All of section 3	New IOB derivatives market making scheme details added
1 December 2011	2.2	5.1.7	FTSE 100 fee holiday extended to 2 July 2012
1 February 2012	2.3	4	Norwegian fee updates all products and Gazprom options market making obligations
6 March 2012	2.4	3.3.3	Surgutneftegaz fast market spreads changed
26 March 2012	2.5	3.2.7, 3.2.8, 3.3.2, 3.3.3 and 3.3.4	Details of Sberbank DR futures and options added Strike coverage obligations
27 March 2012	2.6	3.2.7 and 3.3.2	Rosneft and Surgutneftegaz size obligations changed

## 2. General

### 2.1. Process for becoming a Market Maker

Members or prospective members interested in becoming a Market Maker in any of Turquoise's derivative products will require:

- Conformance of their front end application to the Turquoise SOLA platform, including development to the Bulk Quote (BQ) message detailed in the [SAIL technical specifications](#).
- A signed copy of the Market Maker Agreement (signed on a per product basis) returned to Turquoise and countersigned.
- Confirmation from Turquoise of a Go-Live date.

### 2.2. Termination

- Turquoise reserves the right to terminate the Market Maker Agreement if the Member fails to meet the obligations set out in this Market Making document.
- Turquoise also reserves the right to withhold or cancel any incentives, including any revenue share, in the event that the Member fails to meet its obligations or terminates its Agreement early.

### 2.3. Key points for using this document

- All terms and acronyms used in this document are explained in the [Turquoise Derivatives Glossary](#) available at [www.tradeturquoise.com](http://www.tradeturquoise.com).
- The "Exercise fee" is charged to both counterparties.
- All obligations in this document represent the MINIMUM levels deemed acceptable to qualify for Market Maker capacity.
- Unless expressly indicated otherwise, all options obligations in this document apply to both call and put options equally.
  - The term "Market Maker" refers to all types of Market Maker for a specific product group.
  - Minimum block sizes are detailed for all products in [Appendix B of the "Turquoise Derivatives - Trading Service Description"](#) at [www.tradeturquoise.com](http://www.tradeturquoise.com).

### 2.4. Clearing fees

- Norwegian and Russian product fees INCLUDE a clearing fee.
- For FTSE 100 options and all new products going forward a separate clearing fee is applied to the trade fees (order-book trade fee and block trade fee).
- For FTSE 100 options the Assignment/Exercise/Expiration fee includes the clearing fee.

## 3. IOB Market

### 3.1. General

#### 3.1.1. Categories of IOB Market Makers

- There is one main category of Market Maker for IOB products called:
  - “Market Makers”
- There are five IOB product classes in this section; IOB DR dividend futures, IOB DR futures, IOB DR options, FTSE RIOB index futures, FTSE RIOB index options
- Firms that are already Market Makers in certain IOB derivative products or combinations of IOB derivative products may subsequently qualify to become one of the following:
  - A. Primary Market Makers (options products only)
  - B. Full Suite Market Makers (for firms Market Making in all five product classes)
- The obligations set out in Section 3 below apply to **all** categories of Market Maker.
- Market Makers have a 20 minutes grace period at start of day when no quoting required.
- The fees set out in Section 3 below apply only to “(1) Market Makers” above. Primary Market Makers and Full Suite Market Makers are subject to different fee schedules and other incentives as detailed below in 3.1.3 and 3.1.4.

#### 3.1.2. Timeline of Market Making schemes

- The IOB Market Making schemes in each product class are updated bi-annually except for the IOB DR dividend futures scheme which is updated annually.
  1. Bi-annual scheme 1: April 1<sup>st</sup> until September 30<sup>th</sup>
  2. Bi-annual scheme 2: October 1<sup>st</sup> until March 31<sup>st</sup>
  3. Annual scheme (IOB DR dividend futures only): April 1<sup>st</sup> until March 31<sup>st</sup>
- Qualification as a Primary Market Maker or Full Suite Market Maker is dependent on performance during the “Specified Period” prior to the start of each scheme (more details below).
- Members will be informed at the end of each specified period of which Market Making schemes they have qualified for. They then have one month until the start of the next scheme to make any preparations as required.

Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April
		Specified Period for Scheme 2					Specified Period for Scheme 1							
		Bi-annual Scheme 1						Bi-annual Scheme 2						
		Annual Scheme (IOB DR dividend futures only)												

#### 3.1.3. Primary Market Makers (PMM) (FTSE RIOB index options and IOB DR options only)

- For a “Specified Period” of 6 months ending one month prior to the start of each bi-annual scheme (as detail above in 3.1.2), any firm that is meeting the prescribed obligations in IOB DR options and/ or FTSE RIOB index options will be in contention for a PMM slot in one or both of those products.

- There are two PMM slots available in each of the options products.
- At the end of the Specified Period, Turquoise will measure on-screen notional value traded amongst all Market Makers and offer the top two Market Makers “PMM status” for the start of the next bi-annual scheme.
- PMMs are incentivised as follows:
  - Pay no trade/ exercise fees in the product that they are a PMM in
  - Receive 7% share of cleared only net trading revenue in the underlyings quoted
  - Receive 10% share of on-screen net trading revenue in the underlyings quoted
  - Listed on Turquoise website and other promotion material as a “PMM”

#### 3.1.4. Full Suite Market Makers

- A firm that is Market Making in all five IOB product classes may opt to become a Full Suite Market Maker **or continue to quote each product separately.**
- These slots are offered to any market maker meeting obligations in all five categories that achieves a top two ranking in all of the following products as measured by volume traded over the Specified Period:
  - IOB DR futures
  - IOB DR dividend futures
  - FTSE RIOB futures
- Full suite Market Makers are incentivised as follows:
  - Pay no trade/ exercise fees in FTSE RIOB options and IOB DR options, regardless of their ranking in those products.
  - If the top ranked Market Maker in FTSE RIOB options and/ or IOB DR options, receive 7% share of cleared only net trading revenue in in the underlyings quoted.
  - If the second ranked Market Maker in FTSE RIOB options and/ or IOB DR options, receive 3.5% share of cleared only net trading revenue in product in the underlyings quoted.
  - Receive 10% share of on-screen net trading revenue in FTSE RIOB options and/ or IOB DR options if ranked in the top two in the underlyings quoted.
  - Pay no block trade / expiration fees in any of the IOB futures product classes

#### 3.1.5. Additional notes

- Market Makers are required to respond to any Request for Quote (RFQ) they receive through their SOLA HSVF market data feed.
- Market Makers who are unable to perform their duties as a market maker on any given IOB trading day should inform [Turquoise Derivatives Market Operations](#) before the market opens on that day.
- Free fees and reduced fees incentives are paid by way of a rebate from Turquoise at the end of each bi-annual or annual scheme.

## 3.2. IOB DR Dividend Futures

### 3.2.1. Expiry month obligations

Market Makers are required to quote across all available expiries.

Market Makers are able to quote fast market spreads in the week of expiration for a series.

There is no obligation to quote a series on its Expiration Day.

### 3.2.2. Size and spread obligations

Members designated as Market Makers in IOB DR dividend futures will be required to quote two way prices within the following prescribed sizes and spreads across all maturities.

Underlying Dividend	Number of contracts	Spread
Gazprom	500	0.050
Lukoil	300	0.450
Norilsk Nickel	1000	0.400
Rosneft	1500	0.020
Sberbank	1000	0.055
Surgutneftegaz	1500	0.055
VTB Bank	1500	0.025

### 3.2.3. Time obligations

Market Makers shall provide quotes for a minimum 85% of Turquoise's ordinary trading hours over each calendar month.

### 3.2.4. Fees

Market Makers that meet the prescribed obligations set out above will be charged the following fees.

Fee type	Fee
Order book trade fee	<b>Make fee:</b> - 0.3% of the futures value (rebate) <b>Take fee:</b> 0.3% of futures value
Block trade fee	0.3% of futures value
Expiration fee	0.3% of the settlement amount
Clearing fee	Bundled with trade fees

### 3.2.5. Additional notes

- Market Makers are not obligated to quote in any "Late IOB DR dividend futures"

## IOB DR Futures

### 3.2.6. Expiry month obligations

Market Makers are required to quote across all available expiries.

Market Makers are able to quote fast market spreads in the week of expiration for a series.

There is no obligation to quote a series on its Expiration Day.

### 3.2.7. Size obligations:

Product	Number of contracts
Gazprom	650
Lukoil	250
Norilsk Nickel	800
Rosneft	2000
Sberbank	650
Surgutneftegaz	1000
VTB Bank	2000

### 3.2.8. Spread obligation:

Product	Normal Market (USD)	Fast Market (USD)
Gazprom	0.30	0.60
Lukoil	1.00	2.00
Norilsk Nickel	0.30	0.60
Rosneft	0.20	0.40
Sberbank	0.60	1.20
Surgutneftegaz	0.30	0.60
VTB Bank	0.30	0.60

### 3.2.9. Time obligations

Market Makers are required to quote for a minimum 85% of Turquoise's ordinary Trading hours in each calendar month.

### 3.2.10. Fees

Fee type	Fee
Order book trade fee	<b>Make fee:</b> - 0.003% of the futures value (rebate) <b>Take fee:</b> 0.003% of futures value
Block trade fee	0.003% of futures value
Expiration fee	0.003% of the settlement amount
Clearing fee	Bundled with trade/ expiration fees
Trade/ Expiration fee cap	USD 200

Settlement fees are no longer charged by Turquoise. LCH Clearnet pass through, at cost, all settlement related fees for IOB derivatives. Further information on ECL settlement fees can be found on the [LCH Clearnet website](#).

### 3.3. IOB DR Options

#### 3.3.1. Expiry month obligations

Market Makers are required to quote across all available expiries.

Market Makers are able to quote fast market spreads in the week of expiration for a series.

There is no obligation to quote a series on its Expiration Day.

#### 3.3.2. Size obligations

Product	Number of contracts
Gazprom	1300
Lukoil	250
Norilsk Nickel	800
Rosneft	2000
Sberbank	650
Surgutneftegaz	1000
VTB Bank	2000

#### 3.3.3. Spread obligations

Bid Premium	For Gazprom	
	Normal Market (USD)	Fast Market (USD)
0 – 1.95	0.15	0.30
2.00 - 3.95	0.25	0.50
4.00+	0.40	0.80

For Lukoil		
Bid Premium	Normal Market (USD)	Fast Market (USD)
0 – 1.95	0.50	1.00
2.00 - 3.95	0.60	1.20
4.00 – 9.90	1.10	2.20
10.00 – 19.75	1.60	3.20
20+	2.00	4.00

For Norilsk Nickel		
Bid Premium	Normal Market (USD)	Fast Market (USD)
0 – 1.95	0.35	0.70
2.00 - 3.95	0.50	1.00
4.00 – 9.90	0.80	1.60
10.00 – 19.75	1.10	2.20
20+	1.50	3.00

For Rosneft & VTB Bank		
Bid Premium	Normal Market (USD)	Fast Market (USD)
0 – 0.19	0.05	0.10
0.20 – 0.75	0.15	0.30
0.80 +	0.20	0.40

	For Sberbank	
Bid Premium	Normal Market (USD)	Fast Market (USD)
0 – 1.95	0.15	0.30
2.00 - 3.95	0.25	0.50
4.00+	0.40	0.80

	For Surgutneftegaz	
Bid Premium	Normal Market (USD)	Fast Market (USD)
0 – 0.95	0.15	0.30
1.00 – 4.90	0.40	0.80
5+	0.75	1.50

### 3.3.4. Strike coverage obligations

Market Makers are required to quote the following:

#### Nearest Two Expiries

- Three ITM strikes
- One ATM strike
- Three OTM strikes

#### Remaining Three Expiries

- Five ITM strikes
- One ATM strike
- Five OTM strikes

### 3.3.5. Time obligations

Market Makers are required to quote for a minimum 85% of Turquoise's ordinary Trading hours in each calendar month.

### 3.3.6. Fees

Fee type	Fee
<b>Trade fee</b>	0.05% of premium value (min USD 0.10, max USD 1 per contract)
<b>Clearing fee</b>	Bundled with trade fee
<b>Exercise fee</b>	0.005% of the exercise amount.
<b>Trade fee cap</b>	USD 200 per trade
<b>Exercise fee cap</b>	USD 100 per exercise

Settlement fees are no longer charged by Turquoise. LCH Clearnet pass through, at cost, all settlement related fees for IOB derivatives. Further information on ECL settlement fees can be found on the [LCH Clearnet website](#).

## Russian Index Futures (RIOB)

### 3.3.7. Expiry month obligations

Market Makers are required to quote across all available expiries.

Market Makers are able to quote fast market spreads in the week of expiration for a series.

There is no obligation to quote a series on its Expiration Day.

### 3.3.8. Size obligations

Expiration	Number of contracts
All expiries	30

### 3.3.9. Spread obligations

Expiry	Normal Market (USD)	Fast Market (USD)
3	4	8
6	6	12
9	6	12
12	8	16

### 3.3.10. Time obligations

Market Makers are required to quote for a minimum 85% of Turquoise's ordinary Trading hours in each calendar month.

### 3.3.11. Fees

Fee type	Fee
<b>Order book trade fee</b>	<b>Make fee:</b> - USD 0.25 (rebate) per contract <b>Take fee:</b> USD 0.50 per contract
<b>Block trade fee</b>	USD 0.50 per contract
<b>Expiration fee</b>	USD 0.50 per contract
<b>Clearing fee</b>	Bundled with trade/ expiration fee

### 3.4. Russian Index Options (RIOB)

#### 3.4.1. Expiry month obligations

Market Makers are required to quote across all available expiries.

Market Makers are able to quote fast market spreads in the week of expiration for a series.

There is no obligation to quote a series on its Expiration Day.

#### 3.4.2. Size obligations

Expiration	Number of contracts
All expiries	30

#### 3.4.3. Spread obligation

Bid Premium in USD	Prescribed spread (USD)	
	Normal market	Fast market
0 - 9.99	5.00	10.00
10.00 - 19.99	6.00	12.00
More than 20.00	8.00	16.00

#### 3.4.4. Strike coverage obligations

Market Makers are required to quote:

- Five ITM strikes
- One ATM strike
- Five OTM strikes

These should be quoted across all obligated expiries.

#### 3.4.5. Time obligations

Market Makers are required to quote for a minimum 85% of Turquoise's ordinary Trading hours in each calendar month.

**3.4.6. Fees**

Fee type	Fee
Trade fee	USD 0.40 per contract (max 1% of the premium)
Clearing fee	Bundled with trade fee
Exercise fee	USD 0.40 per contract

## 4. Norwegian Market

### 4.1. General

Market Maker for Norwegian products:

The obligations set out in Section 4 below apply to **all** Norwegian Market Makers.

The list of product groups can be found in the [Product List](#) on the Turquoise website

#### 4.1.1. Market Makers

Market Makers must quote Futures and Options contracts in a minimum of seven Norwegian underlyings, one of which must be in the OBX Index.

Market Makers will only qualify for Market Making fees in those products they sign up to quote in. For all other trading activity, normal fees apply; please refer to [Tariff Schedule](#) on the Turquoise website.

#### Exempt days

All Market Makers are granted a total of 25 “Exempt Days” per calendar year, per underlying, on which they are not required to fulfil their obligations.

To set up an Exempt Day, a Market Maker should inform [Turquoise Derivatives Market Operations](#) in writing three days in advance of the day in question. Turquoise will confirm back in writing.

For separate Market Making accounts under the same membership, Exempt Days are treated separately and therefore the Market Maker should inform Turquoise for each account individually.

## 4.2. Norwegian Stock Futures

### 4.2.1. Expiry month obligations

Market Makers are required to quote in the front four Expiration Months for Group 1 Stocks and the front two Expiration Months for Group 2 stocks.

### 4.2.2. Size obligations

Expiration	Group 1 Number of contracts	Group 2 Number of contracts
1 month	50	50
2 month	50	50
3 month	25	NA
4 month	25	NA

### 4.2.3. Spread obligations

Members designated as Market Makers in Norwegian stock options will be required to quote two way prices within the following prescribed spreads.

Bid Premium	Prescribed spread (NOK)	
	Normal market	Fast market
0 - 50	1	2
50.25 - 150	1.5	3
150.25 - 300	2	4
300.25 - 600	2.5	5
600.25 - 1000	3	6
More than 1000	3.5	7

### 4.2.4. Time obligations

Market Makers shall provide quotes for a minimum 75% of Turquoise's ordinary trading hours over each calendar month.

#### 4.2.5. Fees

Market Makers that meet the prescribed obligations set out above will be charged at the following fees.

Fee type	Fee type
Trade fee	0.010% of futures value
Clearing fee	Bundled with trade fee
Expiration Fee	0.015% of the settlement amount

#### 4.2.6. Request for Quote (RFQ)

Market Makers are required to respond to any Request for Quote (RFQ) they receive through their SOLA HSVF market data feed.

There is no obligation on any Market Maker to respond to an RFQ on an underlying that they are not covering as part of their agreement.

The response to the RFQ is governed by the above size and spread obligations.

### 4.3. Norwegian Stock Options

#### 4.3.1. Expiry month obligations

Market Makers are required to quote in the front four expiries for Group 1 Stocks and the front two expiries for Group 2 Stocks.

#### 4.3.2. Size obligations

Expiration	Group 1 Number of contracts	Group 2 Number of contracts
1 month	50	50
2 month	50	50
3 month	25	NA
4 month	25	NA

#### 4.3.3. Spread obligations

Members designated as Market Makers in Norwegian Stock Options will be required to quote two way prices within the following prescribed spreads.

Bid Premium	Prescribed spread (NOK)	
	Normal market	Fast market
0 - 2	0.75	1.5
2.05 - 10	1.5	3
10.25 - 20	2.25	4.5
20.25 - 30	3	6
More than 30	3.75	7.5

#### 4.3.4. Strike coverage obligations

The five Call Option and Put Option series quoted at any time must be in succession and must be chosen from the seven Series with Strikes closest to the Underlying spot price (ATM +/- 3 series). The quoted Strikes for Call Options may differ from the quoted Strikes for Put Options..

The Market Maker shall on each Trading Day also quote prices on demand in other Listed Series related to the instruments in question that are not included in the obligation to quote prices continuously.

Expiry months	Strike coverage obligation
All four expirations	5 out of the 7 nearest to the ATM

#### 4.3.5. Time obligations

Market Makers shall provide quotes for a minimum 75% of Turquoise's ordinary trading hours over each calendar month.

#### 4.3.6. Fees

Market Makers that meet the prescribed obligations set out above will be charged the following fees.

Fee type	
Trade fee	0.10% of premium (min NOK 0.45 max NOK 3.00)
Clearing fee	Bundled with trade fee
Exercise Fee	0.015% of the settlement amount

#### 4.3.7. Request for Quote (RFQ)

Market Makers are required to respond to any Request for Quote (RFQ) they receive through their SOLA HSVF market data feed.

There is no obligation on any Market Maker to respond to an RFQ on an underlying that they are not covering as part of their agreement.

The response to the RFQ is governed by the above size and spread obligations.

#### 4.4. Norwegian Index Futures (OBX)

##### 4.4.1. Expiry month obligations

Market Makers are required to quote in all Listed expiries.

There is no obligation to quote a Series on its Expiration Day. The obligation moves to the next relevant Expiration.

##### 4.4.2. Spread obligations

Members designated as Market Makers in OBX Index Futures will be required to quote two way prices within the following prescribed spreads.

Bid Premium	Prescribed spread (NOK)	
	Normal market	Fast market
0 - 150	0.6	1.2
150.10 - 350	0.9	2.0
350.10 - 500	1.3	3.0
500.10 - 700	2.0	4.0
700.10 - 850	2.5	5.0
850.10 - 1000	3.0	6.0
1000.10 - ∞	4.0	8.0

##### 4.4.3. Size obligations

Expiration	Number of contracts
1 month	100
2 month	100
3 month	50
4 month	50

##### 4.4.4. Time obligations

Market Makers shall provide quotes for a minimum 75% of Turquoise's ordinary trading hours over each calendar month.

#### 4.4.5. Fees

Market Makers that meet the prescribed obligations set out above will be charged at the following fees.

Fee type	
Trade fee	NOK 0.30 per contract
Clearing fee	Bundled with trade fee
Expiration fee	NOK 0.75 per contract

#### 4.4.6. Request for Quote (RFQ)

Market Makers are required to respond to any Request for Quote (RFQ) they receive through their SOLA HSVF market data feed.

There is no obligation on any Market Maker to respond to an RFQ on an underlying that they are not covering as part of their agreement.

The response to the RFQ is governed by the above spread obligations and the “3 month” size obligation.

## 4.5. Norwegian Index Options (OBX)

### 4.5.1. Expiry month obligations

Market Makers are required to quote in the front two expiries.

There is no obligation to quote a Series on its Expiration Day. The obligation moves to the next relevant Expiration.

### 4.5.2. Size obligations

Expiration	Number of contracts
1 month	100
2 month	100
3 month	50
4 month	50

### 4.5.3. Spread obligations

Members designated as Market Makers in Norwegian Stock Options will be required to quote two way prices within the following prescribed spreads.

Bid Premium	Prescribed spread (NOK)	
	Normal market	Fast market
0 - 2	0.75	1.5
2.05 - 10	1.5	3
10.25 - 20	2.25	4.5
20.25 - 30	3	6
More than 30	3.75	7.5

### 4.5.4. Strike coverage obligations

Expiry months	Strike coverage obligation
All four expirations	2 ITM, 1 ATM, 2 OTM

#### 4.5.5. Time obligations

Market Makers shall provide quotes for a minimum 75% of Turquoise's ordinary trading hours over each calendar month.

#### 4.5.6. Fees

Market Makers that meet the prescribed obligations set out above will be charged at the following fees.

Fee type	
Trade fee	0.10% of premium (min NOK 0.45 max NOK 2.5 per contract)
Clearing fee	Bundled with trade fee
Exercise fee	0.17% of exercise amount (min NOK 0.5 max NOK 2.50)

#### 4.5.7. Request for Quote (RFQ)

Market Makers are required to respond to any Request for Quote (RFQ) they receive through their SOLA HSVF market data feed.

There is no obligation on any Market Maker to respond to an RFQ on an underlying that they are not covering as part of their agreement.

The response to the RFQ is governed by the above size and spread obligations.

## 5. UK Market

### 5.1. UK Index Options (FTSE 100)

#### 5.1.1. Expiry month obligations

Market Makers in FTSE 100 Index Options are required to quote in the nearest six expiries.

Quotes in the next four expiries (15, 18, 21 and 24 month contracts) can still be placed and are encouraged but will not be formally monitored.

There is no obligation to quote a series on its Expiration Day. The obligation moves to the next relevant expiration.

#### 5.1.2. Spread obligations

Members designated as Market Makers in FTSE 100 Index Options will be required to quote two way prices within the following prescribed spreads.

Spread obligations are tripled for an expiring series in expiration week.

Bid price in index points	Prescribed spread in index points						
	1 month	2 month	3 month	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	15, 18, 21, 24 months
<b>0 - 10</b>	1.5	1.5	1.5	1.5	2.0	2.0	No monitoring of quotes
<b>10.01 - 20</b>	2.0	2.0	2.0	2.5	4.0	4.0	
<b>20.01 - 30</b>	2.0	2.5	2.5	3.0	4.0	4.0	
<b>30.01 - 40</b>	2.5	2.5	3.0	3.5	4.5	4.5	
<b>40.01 - 50</b>	2.5	2.5	3.0	4.0	6.0	6.0	
<b>50.01 - 60</b>	2.5	2.5	3.5	4.0	6.0	7.5	
<b>60.01 - 100</b>	3.0	3.0	3.5	4.5	7.5	7.5	
<b>100.01 - 150</b>	3.0	3.5	4.0	5.0	7.5	7.5	
<b>150.01 - 200</b>	4.5	4.5	4.5	5.5	7.5	8.0	
<b>200.01 - 300</b>	6.0	6.0	6.0	6.5	8.5	8.5	
<b>300.01 - 400</b>	7.0	7.0	7.0	7.5	10.0	10.0	
<b>400.01 - 500</b>	8.0	8.0	8.0	8.5	10.0	11.5	
<b>500.01 - 600</b>				9.5	13.5	13.5	
<b>600+</b>				12.0	15.0	15.0	

### 5.1.3. Size obligations

Expiration	Number of contracts
1 month	30
2 month	30
3 month	20
2 <sup>nd</sup> quarter	20
3 <sup>rd</sup> quarter	10
4 <sup>th</sup> quarter	10

### 5.1.4. Strike coverage obligations

Market Makers are required to quote:

- One In-the-Money (ITM) strike
- One At-the-Money (ATM) strike
- Six Out-of-the-Money (OTM) strikes

These should be quoted across all obligated expiries.

### 5.1.5. Time obligations

Market Makers shall provide quotes for a minimum 90% of Turquoise's ordinary trading hours over each calendar month.

### 5.1.6. Fees

Market Makers that meet the prescribed obligations set out above will be charged at the following fees.

Fee type	Fee
<b>Order book trade fee</b>	GBP 0.05 per contract
<b>Block trade fee</b>	GBP 0.10 per contract
<b>Trade fee cap</b>	GBP 150 per trade
<b>Clearing fee</b>	GBP 0.02 per contract
<b>Clearing fee cap</b>	GBP 20 per trade
<b>Assignment/Exercise fee*</b>	GBP 0.12 per contract
<b>Assignment/Exercise fee cap*</b>	GBP 170 per trade
<b>Reduced futures contract hedge (aggressive) fee</b>	GBP 0.10 per contract

\*Assignment/Exercise fee and fee cap is inclusive of clearing fee

#### 5.1.7. Additional notes

- “Reduced futures contract hedge (aggressive) fee”, is an additional benefit available to options market makers whereby they pay a special lower fee per contract for all aggressive FTSE100 futures trading that they do. This reflects the fact that this is often done as a hedge of their options trading.
  - For options market makers that have also qualified for the FTSE100 futures launch fee incentive scheme, passive trading is still charged at the levels described in the [“FTSE100 futures fee schedule” document](#) on the Turquoise website. However, aggressive trading is charged at the lower special “reduced futures contract hedge fee” in the table above.
- For Market Makers that are quoting prices from the launch date of FTSE 100 options, a **fee holiday on all fees is applicable until 2 July 2012**
- Spread obligations are tripled during Fast Markets.
- Market Makers are invited to respond to Requests-for-Quotes (RFQs) across all expirations out to two years.