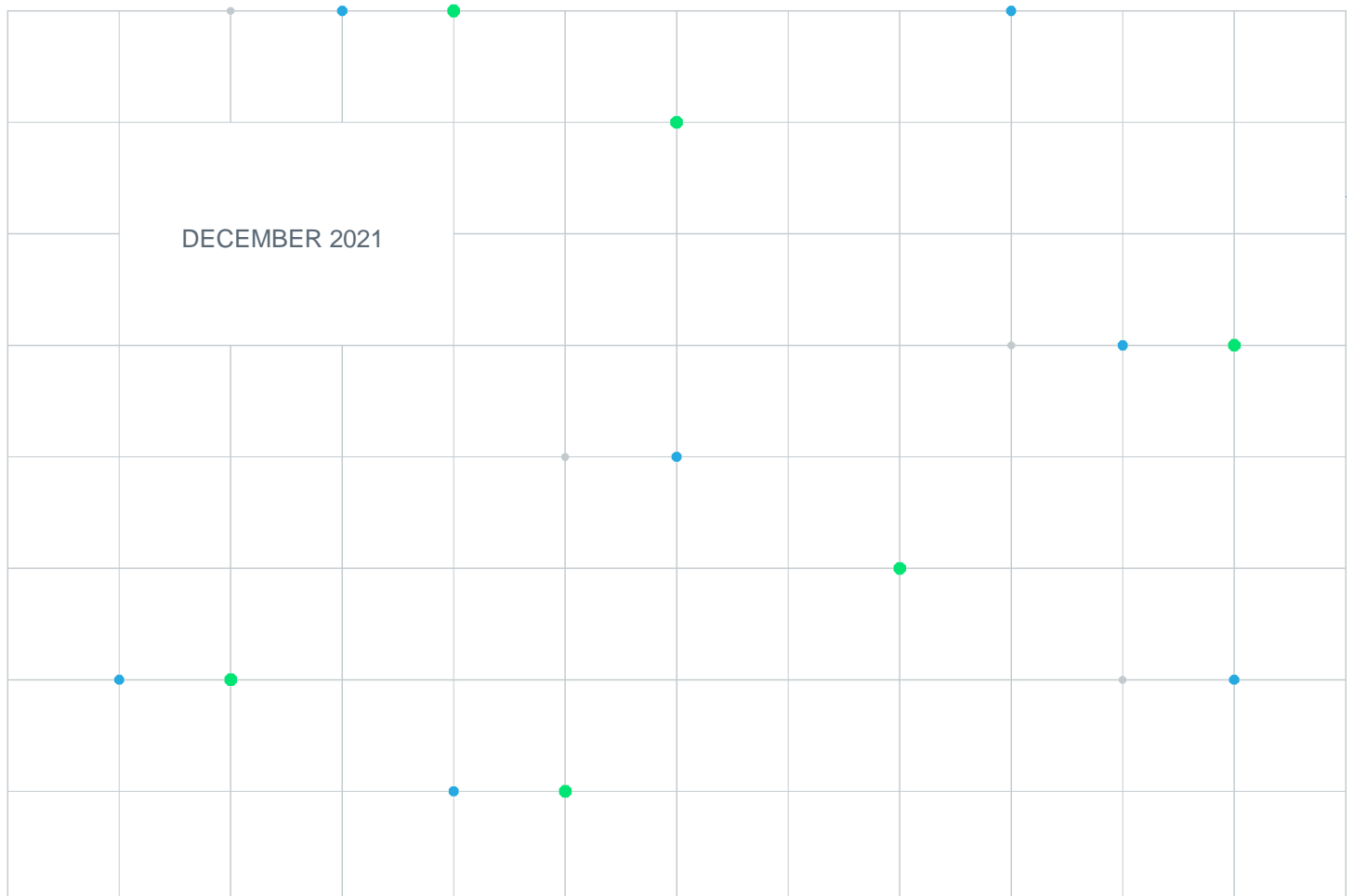


# EBS Market Messaging Efficiency Program (MEP)

Effective February 1 2022



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# 1. Methodology and Calculations

The Market Efficiency Program (MEP) criteria will be applied monthly for EUR/USD, USD/JPY, USD/CNH and USD/CHF spot FX pairs on EBS Market from 1 February 2022, and is designed to encourage more efficient quote activity at Top of Book (TOB).

To facilitate this, those breaching the MEP by having both:

- A TOB quote fill ratio (QFR) below a minimum threshold (in percent), and
- A median life at TOB below a minimum threshold (in milliseconds),

will be charged an excess quoting surcharge per quote (in USD) above a maximum allowable quote threshold.

The calculation is as follows:

The maximum allowable quote threshold (designated as the MEP) is the summation of:

- The maximum quote number (calculated by dividing the Good to Cancel order (GTC) deal volume by the MEP TOB QFR), and
- An extra defined quote “allowance”, which is applied for all counterparties to help account for monthly fluctuations or counterparties with low quote activity.

For example:

- A counterparty who breaches both MEP requirements and is 50,000 quotes above the maximum allowable quote threshold will be charged an excess quoting surcharge for those quotes
  - E.g. 50,000 X USD \$0.10 equals an excess quoting surcharge of USD \$5,000

## 2. MEP Parameters

MEP parameter settings are as follows but can be amended at the discretion of EBS to maintain a healthy market ecology (where possible, at least one month's notice will be given).

Ccy Pairs	Quote Allowance	Median TOB Order Life	Hours (GMT)	DMM* TOB QFR Feb '22 Onwards	Phase 1 TOB QFR Feb '22 – June '22		Phase 2 TOB QFR July '22 onwards	
				TOB QFR	TOB QFR	Surcharge (USD)	TOB QFR	Surcharge (USD)
EUR/USD	100,000	500ms	06:00 -20:00	1%	1.5%	0.05	2.0%	0.10
USD/JPY	100,000	1sec	00:00 – 17:00	1%	1.5%	0.05	2.0%	0.10
USD/CNH	25,000	500ms	00:00 – 13:00	1%	2.0%	0.05	2.0%	0.10
USD/CHF	100,000	500ms	06:00 -20:00	1%	1.5%	0.05	2.0%	0.10

\*Customers who are Designated Market Makers (DMM) and qualify for that pair will have a reduced TOB QFR for that month. For DMMs between Feb 2022 June 2022 the Phase 1 surcharge levels will apply (0.05), and from July 2022 onwards the Phase 2 surcharges will apply (0.10).

There will also be 50% reduction of MEP's required Top of book QFR that will apply to 2-way market makers who meet set criteria shown in any given month for the criteria outlined below and from the table above. These customers will be deemed designated market makers (DMMs)

- EUR/USD, USD/CHF, and USD/JPY
  - Program hours are Monday to Friday
    - EUR/USD and USD/JPY: 00:00 – 20:00 GMT
    - USD/CHF: 06:00 – 18:00 GMT
  - Minimum spread of 1.5 pip in a minimum of USD 1 million
  - Minimum active quote activity of 75 % of the defined program hours
- USD/CNH
  - Program hours Monday to Friday: 01:00 – 18:00 GMT
  - Minimum spread of 8 pips in a minimum of USD 1 million
  - Minimum active quote activity of 75 % of the defined program hours

### 3. Request for Waiver of Surcharges

A customer may submit a Request for Waiver (RFW) of a surcharge if the firm believes that there was a compelling justification for exceeding the applicable messaging threshold. Waiver requests for the MEP must be submitted between the first and 10th business day of the month following the month in which the MEP surcharge occurred. The EBS MEP Waiver Committee, made up of a cross functional group across relevant CME teams to support a consistent and objective review process, will carefully consider those requests and has sole discretion as to whether to grant any waivers.

Please email [ebsmarketmepwaiver@cmegroup.com](mailto:ebsmarketmepwaiver@cmegroup.com) detailing the reason why you exceeded the MEP and we will subsequently notify you of EBS's decision.

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