

EBS Market Messaging Efficiency Program (MEP)

EFFECTIVE NOVEMBER 1, 2024

1. Methodology and Calculations

The Messaging Efficiency Program (MEP) criteria is applied monthly for EUR/USD, USD/JPY, USD/CNH and USD/CHF spot FX pairs on EBS Market 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	MINIMUM # OF ORDERS	SURCHARGE	HOURS (UTC)	NON-DMM		DMM	
				TOB QFR %	MEDIAN TOB ORDER LIFE	TOB QFR %	MEDIAN TOB ORDER LIFE
EUR/USD	100,000	\$0.10	06:00–20:00	2.0%	250ms	1.0%	125ms
USD/JPY	100,000	\$0.10	00:00–10:00	2.0%	500ms	1.0%	250ms
USD/CNH	25,000	\$0.10	00:00–13:00	2.0%	500ms	1.0%	250ms
USD/CHF	100,000	\$0.10	06:00–20:00	1.0%	500ms	0.5%	250ms

Customers could also obtain the DMM status of a pair by maintaining a minimum monthly make ADV:

CCY PAIRS	EUR/USD	USD/JPY	USD/CNH	USD/CHF
Makes ADV for DMM	\$400mln	\$400mln	\$300mln	\$50mln

**Customers who are Designated Market Makers (DMM) and qualify for that pair will have a reduced TOB QFR and Median TOB Order Life for that month.*

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 tenth 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 detailing the reason why you exceeded the MEP, and we will subsequently notify you of EBS's decision.

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