Eurex Clearing Circular 011/18

EurexOTC Clear: Introduction of EurexOTC Clear Release 8.1

Summary

With this circular Eurex Clearing announces the introduction of EurexOTC Clear Release 8.1 on 18 June 2018.

The timeline for the new release is as follows:

Release:	**EurexOTC Clear Release 8.1**
Start of simulation:	**9 May 2018**
Introduction date:	**18 June 2018**

All functional changes will be reflected in the upcoming release documents, which will be published according to the attached "EurexOTC Clear Release 8.1 – Communication Calendar" which is also available on the Eurex Clearing website www.eurexclearing.com under the following path:

Member Section > Technology > EurexOTC Clear > OTC Release 8.1

Please note that the functions and services introduced with this release – especially the changes in reports are mandatory for all EurexOTC Clearing Members – might have an impact on Members' internal processes. Therefore, it might be necessary for Members to update their internal processes and interfaces. In case of cooperation with back office vendors, Members should contact their third-party providers as soon as possible to ensure that the necessary adaptations can be made.

This circular contains a description of the changes and enhancements, which will be introduced with EurexOTC Clear Release 8.1. For a detailed description of the changes, please refer to the "EurexOTC Clear Functional Release Notes" and to the technical documentation.

Attachment:

- EurexOTC Clear Release 8.1 – Communication Calendar

EurexOTC Clear: Introduction of EurexOTC Clear Release 8.1

1. Functional and technical changes for all products

With EurexOTC Clear Release 8.1, Eurex Clearing will introduce some changes mainly driven by MiFID II/ MiFIR as well some minor adjustments and corrections on naming conventions, field structure, tags etc. in reports and in the EurexOTC Clear GUI, such as:

- For EMIR Art. 9 reporting, fields for product ISIN, CFI Code and Trading Venue MIC are needed. They will be included in the broadcast messages to Members and in reports (similar to field tradingVenueLEI). "ExecutionVenueType" will be added as new field as well.

- The EurexOTC Margin Calculator will be renamed to Prisma Margin Calculator. Accordingly, reference to the name of the GUI in the documents, on the website etc. will be adjusted.

- A new (third) line will be added in the Authorization Required section of the EurexOTC Clear GUI, which shows when there is a status "Authorization required" for "Netting Parameters"/ "Netting Strings".

- Minor correction of the risk scenario PnL calculation, if the clearing currency differs from trade currency. Further details will be outlined in the EurexOTC Clear Risk Methodology Description, which will be published according to the EurexOTC Clear Release 8.1 Communication Calendar.

- Certain reports (CD201, CC203, CC222) will be distributed after midnight, because the interest rate fixings will take place past midnight.

- The Prisma Margin Calculator and Eurex Clearing FpML Interface will be enhanced to support a heartbeat functionality.
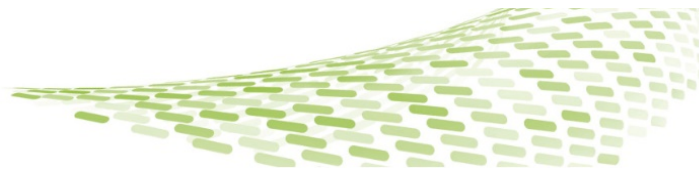
These changes are relevant for EurexOTC IRS Members and OTC Currency Product Members.

2. Service enhancements and technical changes for OTC FX and OTC XCCY swap products

Eurex Clearing plans to expand its interdealer clearing services to OTC Currency Products (subject to regulatory approval) which includes OTC FX Spot, FX Forward, FX Swap and OTC Cross Currency Swap (XCCY Swap). With EurexOTC Clear Release 8.1 Eurex Clearing intends to provide clearing services to clients for the same products and functional scope as the interdealer offering.

Furthermore, it is planned to expand the service for OTC Currency Products with the following functionality:

- Backloading of OTC FX products via 360T. Any FX trade (FX Swap & FX Forward) with a 'Trade Date' older than one business day will automatically be regarded as a 'Backloaded' trade. Novation timelines for the FX backloading process will be the same as for IRS trades.

- Introduction of the Post Trade Events (PTEs) Trade Transfer and Account Transfer for OTC XCCY and OTC FX trades and introduction of PTEs Termination and Trade Amendment for OTC FX Trades.

- Introduction of netting (Level 1 – Basic) for OTC FX products (FX Spot, FX Forward and FX Swap).

- Further enhancements on the CE054/CI054 End of Day FX Cashflow Forecast Against Limits Report and other report changes to support client clearing for OTC Currency products.

- The Prisma Margin Calculator (GUI and API) will be extended to support OTC FX products.

The changes are only relevant for EurexOTC Currency Product Members.

3. Simulation environment clean-up

In order to improve the quality of the Eurex Clearing OTC simulation environment in advance of the upcoming release, Eurex Clearing will perform a structured clean-up of old trades in the simulation environment on 23 April 2018. Therefore, all trades captured before Monday, 27 September 2017 (start of Release 8.0 simulation) will no longer be available in the simulation environment. Members who wish to keep these trades should send an e-mail (including Member ID and account) to otcrelease@eurexclearing.com until Friday, 13 April 2018.

4. Upcoming tasks

In preparation of the release, please nominate a project coordinator responsible for EurexOTC releases and add the contact details in the Member Section of the Eurex Clearing website www.eurexclearing.com under the path:

Member Section > Contacts > Your internal contacts > Release Contacts

Eurex Clearing uses the EurexOTC Clear simulation newsflash as a regular information channel in order to support your simulation and preparation activities for EurexOTC Clear releases. With the newsflash, Eurex Clearing informs about general simulation issues, simulation-specific behaviours, known limitations as well as any documentation updates (e.g. publication of functional and technical documents). In this context and if not already done, we kindly ask you to nominate a project coordinator responsible for EurexOTC releases.

If you have any questions or need further information please contact Group Client Key Account Management Clearing by sending an e-mail to: otcrelease@eurexclearing.com.

31 January 2018

EurexOTC Clear Release 8.1
Communication Calendar

	Year	2018																						
	Month	January			February				March				April				May					June			
Publication of	CW	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Release Announcement EurexOTC Clear				☐																					
EurexOTC Clear Functional Release Notes									☐																
EurexOTC Clear Report Manual											☐														
EurexOTC Clear GUI User Guide											☐														
EurexOTC Clear Reports - Samples & XSDs (preliminary version)											☐														
FpML Margin Calculator Interface XSD and Samples (preliminary version)											☐														
FpML Margin Calculator Interface Specification (preliminary version)											☐														
FpML API XSD and Samples (preliminary version)											☐														
FpML API Interface Documents (preliminary version)											☐														
EurexOTC Error Code List (preliminary version)											☐														
Member Interface Communication for CLS CCP Service											☐														
Margin Calculator Trade Template Field Description																☐									
Margin Calculator User Guide & Templates																☐									
EurexOTC Clear Risk Methodology Description (programming version)																☐									
EurexOTC Clear Simulation Guide																☐									
EurexOTC Clear Reports - Samples & XSDs (final version)																		☐							
FpML Margin Calculator Interface XSD and Samples (final version)																		☐							
FpML Margin Calculator Interface Specification (final version)																		☐							
FpML API XSD and Samples (final version)																		☐							
FpML API Interface Documents (final version)																		☐							
EurexOTC Error Code List (final version)																		☐							
Start of Release Simulation																		9.5.2018							
Clearing Conditions*																				☐					
Production Announcement																						☐			
EurexOTC Clear Risk Methodology Description (final version)																						☐			
EurexOTC Clear Procedures Manual																							☐		
Production Introduction EurexOTC Clear Release 8.1																						18 June 2018			

* publication dates are dependent on and subject to regulatory approval