



eurex clearing circular 020/14

Date: 20 February 2014
Recipients: All Clearing Members, Non-Clearing Members, and Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert



High priority

**Launch of C7, Eurex Clearing's new clearing architecture:
Announcement of timeline for simulation and production start**

Related Eurex Clearing Circulars: 065/13, 072/13, 097/13

Contact: Trading & Clearing Services, T +49-69-211-1 31 18 or +49-69-211-1 17 00,
technology.roadmap@eurexclearing.com

Content may be most important for:

☞ All departments

Attachments:

none

Summary:

C7, Eurex Clearing's new clearing architecture, will replace the existing Eurex Clearing classic system in a stepwise approach.

This circular provides information for the simulation and the production launch of the initial C7 release; it contains in particular the timeline, some specifics for the simulation, and a list of documents for the simulation start.

To prepare for the production launch, Eurex Clearing will offer access to a simulation environment. Simulation for the initial release of C7 will start on **15 April 2014** and will be available beyond the production launch on **30 June 2014**.

As described in Eurex Clearing circular 097/13, the initial release of C7, which is optional for Members, will extend the existing segregation functionality.

Eurex Clearing recommends all Clearing Members (CMs) and Non-Clearing Members (NCMs) active in clearing and/or trading of listed derivatives available at Eurex Exchange and being interested in the initial C7 release to start the necessary preparations soon. They should contact their Independent Software Vendors and Multi-Member Service Providers to evaluate the impact and agree on software tests and migration stages if participation in C7 is desired from the beginning.



Eurex Clearing AG
 Mergenthalerallee 61
 65760 Eschborn
 Mailing address:
 60485 Frankfurt/Main
 Germany

T +49-69-211-1 17 00
 F +49-69-211-1 17 01
memberservices@eurexclearing.com
www.eurexclearing.com

Chairman of the
 Supervisory Board:
 Hugo Bänziger

Executive Board:
 Thomas Book (CEO),
 Heike Eckert, Thomas Laux,
 Erik Tim Müller, Andreas
 Preuss

Aktiengesellschaft mit
 Sitz in Frankfurt/Main
 HRB Nr. 44828
 USt-IdNr. DE194821553
 Amtsgericht
 Frankfurt/Main

**Launch of C7, Eurex Clearing's new clearing architecture:
Announcement of timeline for simulation and production start**

1. Introduction

C7, Eurex Clearing's new clearing architecture, will replace the existing Eurex Clearing classic system in a stepwise approach.

This circular provides information for the simulation and the production launch of the initial C7 release; it contains in particular the timeline, some specifics for the simulation, and a list of documents for the simulation start.

To prepare for the production launch, Eurex Clearing will offer access to a simulation environment. Simulation for the initial release of C7 will start on **15 April 2014** and will be available beyond the production launch on **30 June 2014**.

As described in Eurex Clearing circular 097/13, the initial release of C7, which is optional for Members, will extend the existing segregation functionality.

Eurex Clearing recommends that all Clearing Members (CMs) and Non-Clearing Members (NCMs), i.e. firms active in clearing and/or trading of listed derivatives available at Eurex Exchange, being interested in the initial C7 release, start the necessary preparations soon. They should contact their Independent Software Vendors and Multi-Member Service Providers to evaluate the impact and agree on software tests and migration stages if participation in C7 is desired from the beginning.

2. Overview of functionality and interfaces

As described in Eurex Clearing circular 097/13, the initial release of C7 will feature the following optional functionality for CMs and NCMs for derivatives listed at Eurex Exchange¹:

- It will be possible to individually segregate client transactions and positions in an unlimited number of additional agent accounts. It will also be possible to keep collateral segregated for the margin requirements of individual additional agent accounts. Premium and variation margin will be processed per additional agent account.
- For the initial C7 release the risk calculation for positions on additional agent accounts will be exclusively done via Risk Based Margining. For the additional agent accounts in C7, the new margin methodology Eurex Clearing Prisma will become available end of September 2014.

From a GUI perspective, the current @X-tract GUI will continue to provide access to the existing functionality in the Eurex Clearing classic system (via WebTrading), whereas the new Derivatives Clearing GUI will provide access to the functionality available in C7.

Only optional extensions for C7 will be introduced in the Eurex Clearing FIXML Interface. It will remain the electronic interface of choice for Eurex Clearing and will allow connecting to both systems using the same queues.

New XML reports will provide detailed transaction, position and risk information for C7 and will be available via the Common Report Engine.

- For risk information, new risk reports will be created, which are in line with the existing ones. Both the existing and the new risk reports will contain information on the existing accounts (A1 to A7, A9, P1, P2 and PP). The new risk reports will also provide information on the additional agent accounts, which will be shown as A8 on the existing risk reports.

¹ The offering is provided by Eurex Clearing AG for derivatives listed at Eurex Exchange, excluding EurexOTC Flexible Contracts, KRX products and TAIFEX products. Products of other exchanges and clearinghouses, e.g. products of EEX and ECC are not C7 eligible.

- For positions in each of the additional agent accounts the existing reports will show “A8”. The new reports will show the C7 accounts.

Please note that independent whether a Member decides to use C7 or not, both types of reports will be available on the Common Report Engine.

3. Simulation and production schedule

The simulation environment is scheduled to be available as of 15 April 2014. Access to the simulation will be available beyond the production launch on 30 June 2014. During simulation, CMs, NCMs and vendors will be able to test their systems and processes against the new optional functionality provided by C7, including the new optional requests of the Eurex Clearing FIXML Interface and the new Derivatives Clearing GUI for C7. A few of the mentioned functions might be switched on after the simulation start. Details will be communicated in time.



Figure 1: Timeline for initial release of C7

4. Specifics of the simulation

The simulation will run in the existing integrated simulation environment, where C7, the Eurex Clearing classic system, T7, and risk systems are available. This integration allows testing of the whole process chain:

- Matching trades in T7,
- Booking them in the A8 account in the Eurex Clearing classic system and automatic booking in the transfer account (AAA) in C7,
- Performing a transaction account transfer within the additional agent accounts in C7, and
- Creating related position and related risk reports.

The “C7 Simulation Guide”, to be published at the beginning of March 2014 will provide necessary information for the simulation.

The following lists some specifics of the simulation:

- Members are required to request access to C7 initially.
- In order to get additional agent accounts, CMs must submit the list of individual additional agent accounts to be set up to Eurex Clearing using a template.

- In order to use the new C7 Derivatives Clearing GUI, Members must upload one or more GUI certificates and assign the right to access the GUI for selected users. The user IDs will be identical to those used in the Eurex Clearing classic system. The passwords, however, are independent of each other and the password rules are different. An initial reset of the password on C7 will be necessary, which will not impact the passwords in the Eurex Clearing classic system.
- Technical access via Eurex Clearing FIXML Interface will not require any adaptation on the Member side. Nevertheless, some of the workflows for additional agent accounts will be different from the current ones. Also, new optional requests for C7 will be available.
- New reports will be available on the Common Report Engine.

5. Simulation documentation

Eurex Clearing will publish a set of documents serving as the key source of information for the initial release of C7.

The following documents will be published before the start of the simulation:

Document	Description	Publication
C7 Simulation Guide	<ul style="list-style-type: none"> • A new document describing the necessary activities for Members to prepare for and take part in the C7 simulation. • This document contains the detailed simulation calendar. 	Beginning of March 2014
C7 Functional User Guide (simulation version)	<ul style="list-style-type: none"> • A new document providing detailed information about the transaction and position maintenance functionality of C7, including interaction with the Eurex Classic clearing system. 	Beginning of March 2014
Member and User Maintenance (simulation version)	<ul style="list-style-type: none"> • A new document describing the tasks of a Member in order for itself and its users to get access to the C7 functionality. 	Beginning of March 2014
Account Maintenance	<ul style="list-style-type: none"> • An update of the existing EurexOTC Clear template including a description of the maintenance of Additional Agent Accounts. 	Beginning of March 2014
Eurex XML Report Reference Manual +XML Schemas (simulation version)	<ul style="list-style-type: none"> • An update of the existing manual, including a description of the new C7 specific reports. 	Beginning of March 2014
FIXML Manual - various volumes (simulation version)	<ul style="list-style-type: none"> • An update of the existing manual, describing the new optional requests supported by C7. 	Beginning of March 2014
Clearing Models in C7	<ul style="list-style-type: none"> • A new document providing information on how to use C7 in the context of the available clearing models. 	End of March 2014
Derivatives Clearing GUI Manual - C7 Rel 1.0 functional part (simulation version)	<ul style="list-style-type: none"> • A manual for the new Derivatives Clearing GUI. 	End of March 2014
Clearing GUI Manual - installation part (simulation version)	<ul style="list-style-type: none"> • A new document describing how to install the new Derivatives Clearing GUI. 	End of March 2014
Eurex Network Access Guide	<ul style="list-style-type: none"> • An update of the Network Access Guide for Eurex Exchange and Eurex Clearing that contains access parameters for the Derivatives Clearing GUI. 	End of March 2014

The documents will be published on the Eurex Clearing website www.eurexclearing.com under the following link:

Technology > Eurex Clearing's C7 > System documentation

6. Additional sources of information

Eurex Clearing is committed to provide CMs and NCMs with timely information updates in order to support adequate planning and ensure a successful transition to Eurex Clearing's C7. Besides circulars and the documents mentioned above a key source of information will be the Implementation News.

The Implementation News section on the Eurex Clearing website provides, at short notice, information related to the C7 simulation and the production launch. This service is well known from the introduction of Eurex Exchange's T7 and has proven to be a useful source of information. It is located under the following path:

Technology > Implementation News

7. Contacts

To receive all relevant information about the implementation of Eurex Clearing's C7 regularly, please register a contact person for C7 in the Member Section of the Eurex Clearing website under the following path:

Member Section > Contacts > Release Contacts

To ensure effective information distribution, please register both a project coordinator and a technical contact for Eurex Clearing's C7.

If you have any questions or require further information, please contact the Trading & Clearing Services team at tel. +49-69-211-1 31 18 or +49-69-211-1 17 00 or e-mail: technology.roadmap@eurexclearing.com. Alternatively, please contact your Technical Account Manager.

20 February 2014