

Eurex Clearing C7

Release Notes - update

Release: 8.0

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List of abbreviations:

C7	Eurex Clearing System
CM	Clearing Member
ETD	Exchange Traded Derivatives
GUI	Graphical User Interface
NextGen	Next Generation ETD Contracts
SID	SenderCompID
SoD	Start of Day
T7	Eurex Trading System
DVP	Delivery-vs-Payment
FOP	Free-of- Payment
OSTK	Option on stocks

1 Introduction

The document provides an overview of the functionality made available with C7 Release 8.0.

This is an updated version as Eurex Clearing has decided not to implement the new Corporate Action harmonization behavior. For details please refer to “Eurex Clearing Circular 089/21 C7 Release 8.0: Updated scope”.

Important

This release is a mandatory release for all Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG and vendors.

1.1 Readiness Statement

According to §10 (3) (ii) of the General Terms and Conditions to the Agreement on Technical Connection to the Clearing Electronic Data Processing (EDP) of Eurex Clearing AG, Clearing Members are obliged to provide Eurex Clearing prior to the first use of the updated service of Eurex Clearing’s C7 with a written statement confirming that (a) the updated service of Eurex Clearing’s C7 successfully passed internal test procedures, and (b) the participant system and the participant software interact with the updated service of Eurex Clearing’s C7 without any errors or interruptions.

Participation in the C7 Release 8.0 simulation and testing phase is optional, but highly recommended especially for report and interface changes.

We kindly ask clearing members to submit their readiness statements by Friday 12 November 2021.

1.2 Related Documents

All documents which will be updated in connection with the introduction of C7 Release 8.0 will be made available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases

Details on the publication dates can be found in the “Eurex Clearing Member Communication Calendar” also available Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System documentation > Overview & Functionality

2 Overview C7 Release 8.0

Eurex Clearing is planning to launch C7 Release 8.0 on 22 November 2021.

Eurex Clearing provides a dedicated release simulation environment to give participants the opportunity to perform comprehensive testing of their applications, independent from the C7 production environment. The simulation period for C7 Release 8.0 started on 20 September 2021.

Frozen zones:

- Simulation: 17.09. – 21.09.2021
- Production: 18.11. – 23.11.2021

C7 Release 8.0 covers the following functional changes:

- ~~Harmonization of Corporate Action Processing~~ – postponed until further notice
- Cash settlement of exercised/assigned OSTK contracts
- Deliverable Bonds maintenance
- 4 Eyes Processing
- Collateral Security Enhancements
- FIXML Broker Migration

2.1 Harmonization of Corporate Action Processing – postponed until further notice

Eurex Clearing has decided not to launch the new Corporate Action harmonization behavior by which the adjustment of the trading unit will result in a lot size rounded to the nearest whole share and a respective premium adjustment processed at the point of the corporate action.

Until further notice, Eurex Clearing will continue with the current behavior whereby an adjustment of the trading unit can result in a lot size with fractions (up to 4 decimals). Consequently, the cash settlement of fractional trading units is still triggered by exercises and assignments (as today).

However, the resulting cash adjustment will be processed directly by C7 starting with C7 Release 8.0. Hereby, the value date for this type of cash adjustments will change from T+2 to T+1 and data will be included in the Report CD710 “Daily Cash Account CM” (see ch. 2.2).

Please note that the Report Reference Manual and modification notes documentation will not be updated as the functional changes will be implemented at a later stage.

The report listed below will be modified:

Report ID	Report Description
CA752	Capital Adjustment Positions Overview (<i>layout + content</i>)

Further details on RPTCA752 can be found in the in the documents “Eurex Clearing XML Reports - Reference Manual v.8.0” and “Eurex Clearing XML Reports - Modification Notes v.8.0” planned for publication in June 2021 and available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System Documentation > Reports

2.2 Cash settlement of exercised/assigned OSTK contracts

With regards to the settlement of pure cash transactions resulting from exercise/assignment of OSTK contracts, that are currently processed via the CCP system, the following processing will apply:

Following C7 SCS launch on 27 September, DVP and FOP settlement instructions resulting from exercise/assignments (except for CREST settlements) started to be processed via C7 SCS.

With the introduction of C7 Release 8.0, cash settlements resulting from exercise/assignment of OSTK contracts (e.g. cash settled flexible contracts or settlement of fractions) will be processed by C7. Cash transaction types 294 CASH SETTLEMENT PAID and 296 CASH SETTLEMENT RCV will be generated and processed with a value date T+1.

Payment details will be visible in report “CD710 Daily Cash Account CM”.

2.2.1 Report Changes

The reports listed below will be modified (only content changes) starting mid of October 2021 in simulation:

Report ID	Report Description
CB702	Cash Settled Contracts Overview
CE770	Exercise and Assign Overview
CD710	Daily Cash Account CM

2.3 Deliverable Bonds

C7 will fully replace Eurex Classic for all functions related to deliverable bonds.

The functionality for members remain unchanged, only a report change in RPTCE038 Deliverable Bonds is foreseen.

Report RPTCE038 – Deliverable Bonds Report

The text version of the RPTCE038 Deliverable Bonds Report will be decommissioned. Only the xml version and csv format of the report will be generated and provided.

Further details can be found in the in the documents “Eurex Clearing XML Reports - Reference Manual v.8.0” and “Eurex Clearing XML Reports - Modification Notes v.8.0” planned for publication in June 2021 and available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System Documentation > Reports

2.4 4-Eyes Processing

Four-Eyes Processing for Automatic Close Out and Zero Cost Quantity Maintenance

Maintenance of Automatic Close Out and Zero Cost Quantity (ZCQ) attributes supports optional Four-Eyes processing. To achieve that privilege *B003MOD Automatic Processing Rules - Close Out Modify* can be set to entitlement levels 1 and 2 from C7 Release 8.0 onwards.

Further details can be found in the in the documents “C7 User Entitlement Guide v.8.0” planned for publication in May 2021 and available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System Documentation > Overview & Functionality

2.5 TA711 All Active Series

In order to enhance the data quality in the newly introduced report All Active Series Report TA711 some fields are deleted with C7 Release 8.0.

Further details can be found in the in the documents “Eurex Clearing XML Reports - Reference Manual v.8.0” and “Eurex Clearing XML Reports - Modification Notes v.8.0” planned for publication in June 2021 and available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System Documentation > Reports

2.6 Collateral Security Enhancements

Collateral reports are affected by the removal of obsolete fields and smaller enhancements, providing additional security information like:

- a) Country Code (instead AWV Code)
- b) Additional parameters (pool/inflation factor) for a transparent representation of the collateral value calculation

The reports listed below will be modified:

Report ID	Report Description
CD031	Daily Collateral Valuation
CD037	Claim Amount Based Collaterals
CI720	Intraday Collateral Transaction Report
CI731	Intraday Collateral Position Report

Further details can be found in the in the documents “Eurex Clearing XML Reports - Reference Manual v.8.0” and “Eurex Clearing XML Reports - Modification Notes v.8.0” planned for publication in June 2021 and available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System Documentation > Reports

2.7 FIXML Broker Migration

Eurex Clearing FIXML broker implementation will move from qpid C++ to qpid Broker-J.

Clearing Members and ISVs using the interface should test their applications during the simulation period and upgrade the AMQP libraries used in their software to the latest available versions.

The move is planned for 20 November 2021 in production. In simulation the move was already performed on 16 April 2021.

As the Java Broker behaves slightly different, participants are asked to check their applications behavior in terms of the following points:

The new FIXML Java broker allows to define flow control only on queues, whereas the exchange only supports a discard or reject policy for un-routable messages. This means, that if the request queue is full the message will be rejected and the sender will receive an error message. This behavior of request mechanism on FIXML broker differs from how the member (requestor) is notified nowadays when a request queue is full.

The new FIXML Java broker strictly requires a unique client ID. It is not possible to establish two connections with the same client Id. Members are asked to use JMS and to specify their client ID. The client ID, if used, must be unique across all the connections of the broker (FIXML/FpML/Margin Calculator/Trade Entry). This limit applies per broker. The protocols TLS 1.0 and TLS 1.1 will not be supported any longer because of security concerns

More information about flow control behavior and the client ID usage can be found in the Eurex Clearing Messaging Interfaces - Connectivity B: AMQP Programming Guide V.2.1 and Eurex Clearing Messaging Interfaces – Connectivity E: AMQP Setup & Internals V.2.2 available on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System documentation > Interfaces

In order to support this functionality, it is strongly recommended for members to participate in the following focus days planned in simulation:

- August (CW33) 2021 “Load test”¹
- 02.09.2021 “Re-send test”
- 16.09.2021 “Fail over test”.

The broker failover to backup host will be performed on FIXML Interface in the simulation environment. During this test clients will experience broker outage which can last for several minutes. Clients should ensure that their applications can recognize the interrupted connection and can automatically reconnect once the broker is again available. To detect a connection failure, client applications are advised to specify 'idle-timeout' which will enable a 'heart-beat' mechanism on the established connection. This way, if a connection is lost, both client and the broker can detect it and act accordingly.

More information on failover and recovery or loss of connection can be found in the C7 - Eurex Clearing FIXML Interface Specification - Volume 1, chapter 7 and in Eurex Clearing Messaging Interfaces - Connectivity B: AMQP Programming Guide V.2.1, chapter 7.2 both on Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 Releases > C7 Release 8.0 > System documentation > Interfaces

¹ Details will be provided via implementation news in advance

3 C7 Release 8.0 Documentation

The below listed member documents are available for C7. Updates are provided for every release if applicable. The Eurex Clearing Member Communication Calendar states the publication dates for the documentation package throughout the current year. Please refer to the table below for information on updated member documentation for **C7 Release 8.0**.

Member Document	Functional change in Rel. 8.0	Valid for Simulation as of	Valid for Production as of	Published
C7 Release Notes 8.0				01.06.2021
C7 Release Notes 8.0 - update				08.10. 2021
C7 User Entitlement Guide	4 Eyes Processing	20.09.2021	22.11.2021	01.06.2021
Eurex Clearing XML Reports - Reference Manual	CA processing ² , Deliverable Bond, Collateral Security Enhancements	20.09.2021	22.11.2021	28.06.2021
Eurex Clearing XML Reports – Modification Notes	CA processing ³ , Deliverable Bond, Collateral Security Enhancements	20.09.2021	22.11.2021	28.06.2021
Eurex Clearing XML Reports – XML Schema Files	CA processing ⁴ , Deliverable Bond, Collateral Security Enhancements	20.09.2021	22.11.2021	28.06.2021
C7 Collateral Management Functional Reference Guide	Collateral Security Enhancements	30.08.2021	22.11.2021	28.06.2021
C7 Clearing GUI – User Manual	Collateral Security Enhancements	30.08.2021	22.11.2021	16.08.2021
C7 Derivatives Clearing Functional Reference	n/a ⁵			
C7 Reference Data Functional Guide	n/a			
C7 - Eurex Clearing FIXML Interface Specifications	n/a			
C7 - Eurex Clearing FIXML Interface - Schema Files	n/a			

² - ⁴ All changes remain valid

⁵ n/a indicates that no update to the document is foreseen for this release

4 Reports

The table below gives an overview of the reports impacted by the introduction of new functionality/enhancement for C7 Release 8.0:

Please note: In all XML schema files targetNamespace is updated according to the new Eurex Clearing Website address. The Namespace in all the XSDs changes as of October 2021.

All changes due to CA Processing remain valid.

*Functionality postponed, but changes remain valid

Functionality	Report	Availability Date
Collateral Security Enhancements	CD031 Daily Collateral Valuation	Simulation: 20.09.2021 Production: 22.11.2021
Collateral Security Enhancements	CD037 Claim Amount Based Collaterals	Simulation: 20.09.2021 Production: 22.11.2021
Collateral Security Enhancements	CI720 Intraday Collateral Transaction Report	Simulation: 20.09.2021 Production: 22.11.2021
Collateral Security Enhancements	CI731 Intraday Collateral Position Report	Simulation: 20.09.2021 Production: 22.11.2021
CA Processing	CA752 Capital Adjustment Positions Overview*	Simulation: 20.09.2021 Production: 22.11.2021
CA Processing	CB702 Cash Settled Contracts Overview	Simulation: mid of Oct.2021 Production: 22.11.2021
CA Processing	CD710 Daily Cash Amount CM	Simulation: mid of Oct.2021 Production: 22.11.2021
CA Processing	CE770 Exercise And Assign Overview	Simulation: mid of Oct.2021 Production: 22.11.2021
Deliverable Bonds	CE038 Deliverable Bonds	Simulation: 20.09.2021 Production: 22.11.2021
C7 Release 8.0	TA711 All Active/Inactive Series Report	Simulation: 11.10.2021 Production: 22.11.2021