



**Eurex Clearing holiday processing during Easter and Labour Day**

**Information on testing activities in CCP simulation**

## 1 Introduction

As announced with Eurex Clearing circular 025/17 we would like to inform on Eurex Clearing's testing activities for holiday processing in CCP simulation.

With the introduction of the TARGET2-Securities (T2S), both the TARGET2 (T2) and T2S holiday Calendars have to be considered for settlement processing of securities which are settled at Clearstream banking Frankfurt (CBF).

The calendars differ from each other in three days: Good Friday, Easter Monday and Labour Day (1 May). These days will be introduced as settlement days in T2S<sup>1</sup> but remain as holidays in T2. For the trading venues these days also remain as holidays and are thus no settlement days for stock exchange trades. Eurex Clearing will not send settlement instructions on these three days.

In order to test the procedure on these holidays in CCP simulation, Eurex Clearing schedules an internal test in accordance with Clearstream Banking Frankfurt (CBF) simulation<sup>2</sup> and Xetra simulation, taking place between 16 – 21 March 2017.

This document provides information about the planned test.

## 2 Preparations

For the holiday processing test in CCP simulation, Eurex Clearing adapted the simulation calendar and set the period 17 to 20 March as "closed" instead of "Online Day".

Xetra simulation trading venues Xetra (XETR) and Börse Frankfurt (XFRA) will be opened in status "Holiday" in order to process securities master data, order deletions and corporate actions<sup>3</sup> on 17 and 20 March 2017.

There will be no trading possible on these venues, only order deletions for instruments with corporate actions will be sent by Xetra.

### 2.1 Test

In order to test CCP's procedure on the Easter holidays, Eurex Clearing schedules the following test in CCP simulation taking place between 16 – 21 March 2017.

The list of ISINs and planned corporate action events can be found in the document "Appendix to Eurex Clearing holiday processing – test in CCP simulation March 2017".

During these days, the holiday processing in CCP simulation will be tested as production like as possible:

- On Thursday, 16 March 2017, CCP simulation batch day
  - Netting will be done for value date next T2 business day (Tuesday, 21 March 2017), delivery instructions will be sent with settlement date 21 March 2017.
  - Instruments with non-income corporate actions on Friday, 17 (simulated Good Friday) or Monday, 20 March (simulated Easter Monday) will be set to technical ISIN block (as non-income events have to be processed in CCP before sending the delivery instructions).

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<sup>1</sup> Only settlement of non-Euro and free of payment instructions possible.

<sup>2</sup> Please see CBF customer information as of 27 February and 13 March 2017 provided by [T2S-support@clearstream.com](mailto:T2S-support@clearstream.com)

<sup>3</sup> For more information, please refer to Xetra Circular 012/17

- On Friday, 17 March and Monday, 20 March 2017 (simulated T2 settlement holidays Good Friday and Easter Monday) pre-defined corporate actions will be processed in Xetra simulation and by CBF simulation – CCP simulation is closed
  - Xetra simulation trading venues Xetra (XETR), Börse Frankfurt (XFRA) will be opened in status “Holiday” in order to process securities master data, order deletions and corporate actions<sup>4</sup> – no trading is possible on these venues, only order deletions for instruments with corporate actions will be sent.
  - Corporate Action processing (original run) will be conducted by CBF in simulation on 17 and 20 March 2017.
  
- On Tuesday, 21 March 2017, CCP simulation batch day,
  - Corporate action events of 17, 20 and 21 March 2017 will be processed in CCP simulation with effective date 22 March 2017.
  - Technical ISIN block removed for instruments with non-income corporate actions on 17 or 20 March 2017.
  - Settlement for all ISINs with corporate actions on 17 or 20 March 2017 will be delayed due to the ISIN block.
  - In case of pending trades, CA180 “Corporate Actions on Trades” will show the non-income and CA160 “Custody Payment Statement” the income corporate actions.
  
- On Wednesday, 22 March 2017, CCP simulation batch day,
  - delivery instructions for blocked ISINs are expected to settle on 22 March 2017

## 2.2 Member impact

Members are not asked to actively participate in this test. It is **no** focus day in CCP simulation and no special support is planned on ECAG side.

Nevertheless, following impacts can be observed:

- CCP simulation will be closed during the period 17 and 20 March 2017. The CCP simulation calendar was adapted accordingly.
- Settlement for ISINs with corporate actions on 17 or 20 March 2017 will be delayed due to the technical ISIN block.
- The blocked ISINs will be shown with transaction type code “TIBL” in the CCP reports CB230 “Daily Gross Delivery Mgmt”, CE260 “Pending Delivery” and CE265 “Pending Delivery before NTP”.
- ISINs that are set up in Xetra and CBF simulation on 17 or 20 March 2017 due to a corporate action will be set up in CCP simulation only on 21 March 2017 (re-run processing). Settlement will be delayed accordingly.
- Due to corporate action events holdings will be amended by CBF on 17 and/or 20 March 2017 (as original run) in CBF simulation. CCP pending trades impacted by corporate actions will be processed as re-run on 21 March 2017.
- On Wednesday, 22 March 2017, CA180 “Corporate Actions on Trades” and CA160 “Custody Payment Statement” will show the corporate actions.

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<sup>4</sup> For more information , please refer to Xetra Circular 012/17