C7 Release 10.0

Focus call 8 November 2023

Agenda

1   Key Dates & Documentation

2   Scope items

3   Q & A

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1 Key Dates & Documentation

Key Dates

Simulation Start
12 September 2023

Product delisting Focus day (2)
13 December 2023

Production Start
20 November 2023

Release Documentation
05 June 2023

Product delisting Focus day (1)
25 October 2023

Readiness Statement
10 November 2023

Additional dates to be considered for the following items in the C7 Release 10.0:

Change	Simulation	Production
Product delisting Fair Value Settlement price	12 September 2023	15 January 2024
Position transfer with cash	28 November 2023	4 December 2023

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Initiatives page & documentation

All documentation on the Eurex Clearing website www.eurex.com

Eurex > Clear > Support > Initiatives & Releases > C7 Releases >

C7 Release 10.0

2 **Scope Items**

C7 Release 10.0 Scope Items

Scope Items	
1 New rounding rules for cash flows	**5** Additional Broker information
2 Buy-Side Trading Disclosure	**6** Further FIXML changes
3 Product Delisting / Fair Value Settlement	**7** Currency Haircut File
4 Position Transfer with Cash reference fields	**8** Admissible Securities File change

New Rounding Rules for Cash Flows

➢ Change in the rounding convention for cash flows resulting from ETD business based on Clearing Member request

➢ Current logic leading to difference in Variation Margin calculation for single stock futures and higher residuals than necessary for Average Pricing

➢ Cash flows impacted: Variation margin, premium, position transfer with cash, final cash settlement of options and residual calculations resulting from Average Pricing

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- **Currently:**

Cash flows are rounded on contract level and subsequently multiplied with the number of contracts:

VM = number of contracts * ROUND ((current day settlement price – transaction price) * trading unit)

- **With the new rule:**

The rounding will be applied after the amounts are calculated on transaction level respective the position level:

VM = ROUND (number of contracts * (current day settlement price – transaction price) * trading unit)

Buy-Side Trading Disclosure

Technical implementation only

- The **initiative** for Trading Participants to voluntarily disclose the owner of end client transactions within the T7 infrastructure **on hold. No functional changes. C7 technical implementation required**

- Change values in FIXML and clearing reports

Previous TrdType (FIXTag 828)	New TrdType (FIXTag 828)	trdTyp (C7 Reports) Orig Trade Type (C7 GUI)	Description
1009	1050	G	VBAP On-Exch Buyside non-disclosed
1010	1051	H	VBAP TES1 Buyside non-disclosed
1011	1052	J	VBAP TES2 Buyside non-disclosed
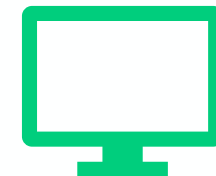
Product Delisting / Fair Value Settlement

Current process

- ➢ Manual process. Snapshot of the position and manual payment of the position transfer
- ➢ Book out and cash adjustment (294 cash settlement paid / 296 cash settlement received)
- ➢ Reconciliation break in CB012 "Account Statement" and CD710 "Daily cash account"
- ➢ Manual cash transaction not automatically reflected in reg. reporting

New process

- ➢ C7 will automatically generate closing transactions at EOD for every open position
- ➢ Closing transactions will be booked at a Fair Value Price (FVP) as settlement price
- ➢ Closing transactions and corresponding cash amounts will be automatically integrated in CB012 and CD710

New values with reason of delisting "closing transaction" will be visible in clearing interfaces:

C7 GUI

- ➢ "Orig Trade Type" new value "R - Product De-listing"
- ➢ "TranType" new value "134 CLOSING TRANSACTION"

FIXML

- ➢ FIX tag 828 TrdType = "1060"
- ➢ FIX tag 830 TransferReason = "134"

Reports

CB012 "Account Statement"
- ➢ "trdTyp" new value "R" (Product De-listing)
- ➢ "trnTyp" new value "134" (Closing Transaction)

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Position Transfer with Cash Reference Fields

Regulatory compliance driven to validate cash amounts

Additional mandatory information to be entered on "**Position Transfer with Cash**" and "**Cash Only Transfer**"

To be provided by Clearing Member or DC Market Participant when entering a Position Transfer with Cash or Cash Only Transfer in the C7 Clearing GUI "Position Transfer entry" window:

- "Original trade date from"

- "Original trade date to"

Impact on **C7 GUI only** (FIXML not impacted since "Position Transfer with Cash" & "Cash Only Transfer" can only be performed via GUI)

Additional Broker Information

➢ Enhancement driven by Clearing Member request

➢ C7 will provide additional broker-specific information at transaction level:

   ➢ **"TES Initiator"** ➡ the participant who initiated the off-book trade on the trading platform

   ➢ **"Initial Broker"** ➡ the executing member of the transaction on the trading platform

➢ These values will be included in the **FIXML transaction confirmation messages** (*TradeCaptureReport*) and **workflow messages** (*AllocationReport*) as well as **in C7 GUI transaction overview** windows and relevant C7 transaction **reports**

➢ Information carried over beyond subsequent transaction adjustments (such as give-up / take-up)

C7 GUI

➢ Transaction Overview and Transaction details (transaction separation/Adjustment, account Transfer, O/C adjust, merge, give-up, etc)
➢ Give-up / Take-up Overview
➢ VBAP Group Overview

FIXML

➢ "TES Initiator" and "Initial Broker" in the RootParties and NestedParties in the Trade Capture Report
➢ "PartyRoleQualifier" new value "30 = Exchange order submitter"

Reports

➢ CB012 Account Statement
➢ CB715 Average Pricing
➢ CB716 Value Based Average Pricing
➢ CB750 Give-Up Trades Overview
➢ CB751 Take-Up Trades Overview
➢ CI012 Account Statement

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Further FIXML changes

New FIXML tag 70 "AllocID" (Value Based Average Pricing)

- New identifier in the TradeCaptureReport message to link the average price transactions that are generated due to an AllocationInstruction

- Needed in case of a pro-rata allocation resulting from different trade types (where one request results in more than one average price transactions)

- Clearing member's request ID (FIXML tag 70 out of AllocInstrctn) will be added to the TradeCaptureReport

FIXML Changes in Allocation messages

- New fields **"Original Trade MatchID"** and **"Original Order ID"** will be provided in the give up and take up FIXML workflow messages

- No changes to C7 GUI

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Currency Haircut File

Overview

- The Currency Haircut file contains currency haircut parameters and adjusted exchange rates information

- Existing file on the **website** in .txt format will be replaced with a .csv version

- Temporary parallel phase in CRE with both versions (.txt and .csv) available

    - FTHCPARAPUBLIYYYYMMDD.CSV.ZIP

    - FTHCPARMPUBLIYYYYMMDD.TXT.ZIP

Location

Location	Format	Format
Eurex Clear > Services > Risk parameters > Haircut and adjusted exchange rates	~~.txt~~ (decommissioned with C7 Release 10.0)	.csv (new)
Common Report Engine (CRE)	.txt (will be decommissioned in Q2 2024)	.csv

Admissible Securities File Changes

➢ The Admissible Securities File lists securities accepted by Eurex Clearing as collateral for the European Central Bank or Swiss National Bank

➢ The "Admissible Securities" file for margin collateral is currently available in the following locations:

Location	Format	Format
Eurex website www.eurex.com/ec-en > Services > Risk parameters > Risk parameters > General Parameters	txt	
Common Report Engine (CRE)	txt	csv

➢ The existing csv version ADMISECUPUBLIYYYYMMDD.csv in the public area of the Common Report Engine will include additional header information

➢ Enhancement to ensure consistency and facilitate automation

Questions

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Architects of trusted markets

Thank you!

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