

Eurex Clearing - C7 SCS 3.5

C7 SCS 3.5 - Release Notes

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Abstract

With C7 SCS Release 3.5, Eurex Clearing introduces the possibility for Eurex Repo members to provide a CBF (Clearstream Banking Frankfurt AG) account for settlement of Special Repo and GC Repo transactions in French, Italian and Spanish bonds that are T2S eligible.

Furthermore, a new report Monthly Fine Statement (CB227) as a new instance of the currently provided Monthly Fee Statement (CB350) will be introduced, providing fine-related content.

The timeline for C7 SCS Release 3.5 is as follows:

- Start of Simulation: 22 April 2024
 - Start of Production: 10 June 2024
 - Start of distribution of Monthly Fine Statement (CB227): 2 July 2024
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1 Introduction

This document provides an overview of the functionality covered and available with C7 SCS Release 3.5.

C7 SCS Release 3.5 will introduce the possibility for Eurex Repo members to provide a CBF (Clearstream Banking Frankfurt AG) account for settlement of Special Repo and GC Repo transactions in French, Italian, and Spanish bonds that are T2S eligible. As well, the distribution of a new report “Monthly Fine Statement (CB227)” as a new instance of currently provided Monthly Fee Statement (CB350) will be introduced, providing fine-related content.

Important: The C7 SCS Release 3.5 with a planned go-live date on 10 June 2024 is an optional release for Eurex Repo members, Clearing Members, DC Market Participants, and respective Settlement Institutions (SI).

1.1 Readiness Statement

Due to the nature of C7 SCS Release 3.5 as an optional release, Eurex Clearing AG does not require a readiness statement from the Clearing Members.

Participation in the C7 SCS Release 3.5 simulation and testing phase is optional, though highly recommended. Please consider, Eurex Clearing will offer test cases to give all participants the opportunity to get familiar with the new clearing service of settlement of Special Repo and GC Repo transactions for T2S eligible French, Italian and Spanish bonds via CBF, but not for the newly introduced fine-related report CB277.

1.2 Related Documents

All documents which will be updated in connection with the introduction of C7 SCS Release 3.5 will be made available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path: [Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Release 3.5](#)

Details on the publication dates can be found in the “C7 SCS 3.5 Member Communication Calendar” available on the Eurex Clearing website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Release 3.5 > System Documentation > Overview & Functionality

2 Overview C7 SCS Release 3.5

Eurex Clearing is planning to launch C7 SCS Release 3.5 on **10 June 2024**.

C7 SCS Release 3.5 covers the following functional changes:

- Settlement of Special Repo and GC Repo transactions for T2S eligible French, Italian and Spanish bonds via CBF accounts. Please note it is scheduled for **10 June 2024**;
- Introduction of the new report "Monthly Fine Statement (CB227)" on **02 July 2024**;

Eurex Clearing provides a dedicated release simulation environment to allow participants the opportunity to perform comprehensive testing of their applications, independent from the C7 SCS production environment.

The simulation period for C7 SCS Release 3.5 is planned to start on **22 April 2024**.

3 Settlement of Special Repo and GC Repo transactions for T2S eligible French, Italian and Spanish bonds via CBF accounts

With C7 SCS Release 3.5, Eurex Clearing will introduce the possibility for Eurex Repo members to provide a CBF (Clearstream Banking Frankfurt AG) account for the settlement of Special Repo and GC Repo transactions in French, Italian, and Spanish bonds that are T2S eligible.

Currently, for Special Repo and GC Repo, Non-German bonds can settle either at (I)CSDs – CBF-i/CBL or EOC and members do not have the possibility to settle Non-German bonds in CBF. However, with this release, members can choose to settle French, Italian and Spanish T2S eligible bonds, not only at CBF-i/CBL or EOC, but at CBF as well.

The current and envisaged solutions for the settlement location for Non-DE ISINs look as follows:

Extension of Special Repo settlement at CBF

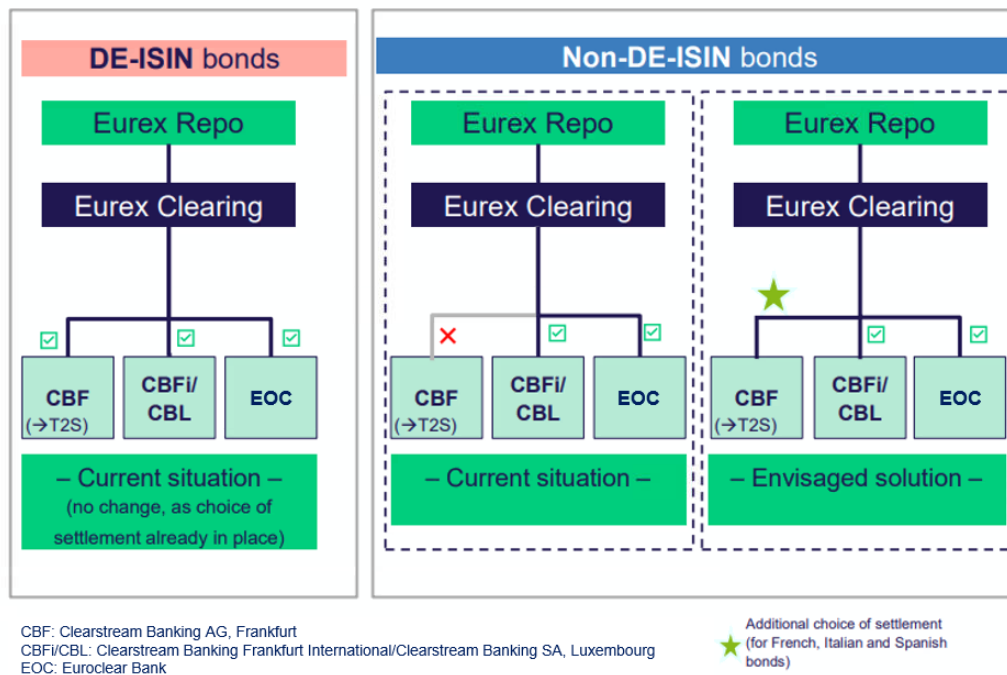


Figure 1. Extension of Special Repo settlement at CBF

Clients willing to use the enhancement will need to request the amendment of their settlement account setup for Eurex Repo accordingly and provide Eurex Clearing with the respective CBF account. In addition, T2S Party BIC (BIC11) linked with the CBF account is required as part of master data by C7 SCS. Please contact Eurex Repo Account Management at repo.accountmgmt@eurex.com for adapting clients' set-up. It is a mandatory requirement to provide TIN for enabling trading of Italian bonds at Eurex repo. Special care to the taxation status for Italian Bonds must be aligned before the CBF account is activated in C7 SCS.

No action will be required for members who wish to continue with their existing setup of settlement location.

This enhancement is applicable for Special Repo and GC Repo transactions only and does not affect GC Pooling Repo transactions.

Eurex Clearing encourages Eurex Repo participants, willing to use the enhanced settlement process described above for the settlement of Non-German T2S Eligible ISINs, to actively participate in simulation for C7 SCS Release 3.5 in order to check how the change of place of settlement will be processed in customers' internal systems.

4 Introduction of the new report “Monthly Fine Statement (CB227)”

With the June Release (C7 SCS 3.5) a new report, as an instance of the current Monthly Fee Statement (CB350), will be provided to the members which will display fine-related content.

The Monthly Fine Statement (CB227) report provides two types of information - fine components that are only charged on a monthly basis and aggregated information of fine components that are charged on a daily basis. Please keep in mind the information considered for the CB227 report is currently a part of the Monthly Fee Statement (CB350) report, but with the introduction on 2 July 2024 of the CB227, it will be reported only in CB227. CB227 will only provide fine and penalty related content, whereas fees will be summarized in CB350.

CB227 will be provided for effective billing month June 2024. Please consider report CB350 will report fees only from billing month June onwards which will be distributed within the first three business days of July 2024, same as for the new report CB227.

The structure of the new report CB227 can be found in the [Report Reference Manual for C7 Release 10.0](#).

This report is available as XML and TXT format and can be ordered via form “SCS report selection for Clearing Member / Settlement Institution consolidated” available under Eurex Clearing › Find › Forms. For the XML format of the report, the current report selection will be taken over from CB350, but Clearing Members willing to receive the TXT format, it will have to be requested via report selection report. Please, keep in mind, the request of the CB227 in TXT format will be charged according to [Price List of Eurex Clearing AG, chapter 8.3.4](#).

With C7 SCS Release 3.5, further changes to billing reports and invoicing planned are the following:

From 1 June 2024, report CB325 will only report daily fees. As per the corrections to the fines, these will be reported in report CB225.

As regard to invoicing, for June 2024 billing run, customers will receive invoices which will contain fees only.

In addition customers can receive additional payment statement containing fines which occurred in the month. All fines will be carved out from invoice. These fines payments will be debited separately from members' accounts with reference to payment statement.

5 Abbreviations and Glossary of Terms

Abbreviations	Description
AG	Aktiengesellschaft (public limited company)
C7 SCS	C7 Securities Clearing Service
CBF	Clearstream Banking Frankfurt
CBF-i	Clearstream Banking Frankfurt International
CBL	Clearstream Banking Luxembourg
EOC	Euroclear Bank
EUR	Euro
FWB	Frankfurter Wertpapierbörse
GC	General Collateral
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
SCS	Securities Clearing Service
SI	Settlement Institution
T2S	TARGET2-Securities
XETR	XETRA Trading location
XEUR	Eurex Deutschland Trading location

Table 1: Abbreviations and Glossary of Terms