Eurex Clearing Circular 033/19

Technology consolidation: Introduction of additional services to Eurex Clearing's C7® architecture with focus on securities in 2020/2021

Summary

As part of Eurex Clearing's strategic roadmap to improve market safety, to follow market requirements, which are in harmony with T2S, and to prepare for upcoming regulatory changes, Eurex Clearing proceeds with the migration of Equity and Repo Clearing to the C7 architecture.

The new securities clearing system, C7 Securities Clearing Service (C7 SCS) will be introduced for all transactions in CCP eligible instruments concluded at the Frankfurt Stock Exchange (MIC: XETR and MIC: XFRA), for all transactions concluded at Eurex Deutschland (MIC: XEUR) that result in securities transactions and for all transactions concluded at Eurex Repo (MIC: XERE).

The migration will be conducted in several steps and will be finalised in 2021.

Attachments:

none

Date: 25 March 2018

Recipients: All Clearing Members, DC Market Participants, DCs With System Access and Basic DCs of Eurex Clearing AG and Vendors

Authorised by:
Heike Eckert

Target group:
- All departments

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

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With this migration, Eurex Clearing will adapt the netting model to trade date netting (TDN) for all cleared transactions concluded at the Frankfurt Stock Exchange and for all transactions concluded at Eurex Deutschland that result in securities transactions. Existing netting models for cleared transactions concluded at the Frankfurt Stock Exchange (MIC: XETR and MIC: XFRA) and for all transactions concluded at Eurex Deutschland (MIC: XEUR) will be decommissioned.

For all transactions concluded at Eurex Repo, the existing processing model will be harmonised in line with the industry standard.

It is expected that the introduction of the new securities clearing system C7 SCS will have an impact on customers, e.g. the processing of settlement, corporate actions or customer connectivity and reporting. With this early announcement, Eurex Clearing intends to give customers sufficient time to assess their individual impact and to consider Eurex Clearing's initiative in their capacity planning for 2020 and 2021.

Eurex Clearing has started to conduct Customer Focus Groups (CFGs) and bilateral meetings to outline Eurex Clearing's initiative in detail and to give customers the opportunity to provide feedback on the envisaged design until end of the first half of the year 2019. Further information on CFG topics as well as the exact timeline will be communicated via Newsflashes.

Please check if you have registered and/or updated your Release Contacts for Eurex Clearing's C7 SCS (Releases: Eurex Clearing / CCP) via the Member Section on the Eurex Clearing website. The path on the Eurex Clearing website is:

Eurex Clearing Member Section > Contacts > Release Contacts

As the current registration via the Member Section will be decommissioned after 12 April 2019 (see Eurex Clearing circular 030/19), please subscribe to Circulars & readiness newsflashes - CCP/Cash Equity Clearing - Releases & Technology on our new subscription website in order to remain updated as of 15 April 2019. The path in the Eurex Clearing website is:

Resources > Circular & Newsletter Subscription

The publication of initial release notes is envisaged in Q3 2019, enabling customers to analyse their impact in detail.

If you have any questions or require further information, please contact the Member Readiness Project Team via e-mail at mrp@eurexclearing.com.

25 March 2019