X-pand into the Future

e u r e x *circular 053/10*

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Recipients: All Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Software Vendors

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High priority

Eurex Release 13.0: Introduction

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Content may be most important for:	**Attachment:**
Ü All departments	Eurex Release 13.0 Information Schedule 2010

Summary:

Eurex Release 13.0 encompassing the below-listed features is planned to be introduced **November 8, 2010**. The Eurex Release 13.0 simulation period is scheduled from September 6 until October 29, 2010.

Scope of Eurex Release 13.0

1. Clearing Enhancements

- Client Asset Protection
- Risk Protection Enhancements
- OTC Flexible Contracts Enhancements
- Enhancement of the OTC Multilateral Trade Registration
- Exercise / Assignment Enhancements
- Improved Member Product Assignment
- Futures Settlement at a Price of “0” (zero)
- Position Transfer Enhancements to facilitate Bulk Upload and Immediate Intraday Transfer
- Clearing GUI – Introduction of a Clearing Board

2. Trading Enhancements

- Matcher Performance Improvements
- Introduction of a Common Contract ID for Eurex’s Optional Interfaces
- More Digits for Price Information

3. Eurex’s Optional Interfaces

- Introduction of the Enhanced Confirmation Solution
- New features for the Enhanced Transaction Solution
- New features for the Enhanced Broadcast Solution

4. Technical Enhancements

- Support for Microsoft Windows Server 2008 R2 (64 bit) on MISSes and Microsoft Windows 7 (64 bit) on Workstations.

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Eurex Release 13.0: Introduction

Milestones and General Aspects

Eurex Release 13.0 encompassing the below-listed features is planned to be introduced **November 8, 2010**. The Eurex Release 13.0 simulation period is scheduled from September 6 to October 29, 2010.

The introduction of specific components may happen later than the regular production launch date. The exact dates will be published in separate circulars with sufficient lead time.

Eurex recommends that all members adapt their in-house systems to coincide with the introduction of the new Eurex Release 13.0 functionality especially for the new features which will not support backward compatibility (see the table at the end of this circular for details).

To ensure the smooth introduction of Eurex Release 13.0, members should also contact their third-party providers as soon as possible in order to evaluate the impact on their systems.

Detailed information regarding the changes planned for Eurex Release 13.0 will be provided in the Preliminary Functional and Technical Release Notes and other documents. Publication dates for the Release Notes and further documentation are outlined in the attached document “Eurex Release 13.0 Information Schedule 2010”.

Scope of Eurex Release 13.0

1. Clearing Enhancements

Client Asset Protection

With the enhancement of the Client Asset Protection solution, Eurex Clearing addresses the requirements of transparent asset segregation and timely portability.

Client Asset Protection will be offered as an optional service allowing Clearing Members (CMs) and their clients to individually negotiate their level of protection. The following segregation solutions will become available:

- **Existing Solution**
  The existing setup can be kept and Clearing Members would use proprietary collateral to cover client (Non-Clearing Members – NCMs – and Agent Clients) and proprietary business.
  Even if a Clearing Member offers Client Asset Protection, clients (Agent Clients and NCMs) have the opportunity to remain with the current setup. In both cases protection of client collateral will be provided by the CM.
- **Omnibus Solution**
  The margin requirement resulting from omnibus-segregated Clients business (i.e. omnibus-segregated Agent Clients and omnibus-segregated Non-Clearing Members) is covered by an omnibus collateral pool. The positions and collateral of omnibus-segregated clients are separated from the Clearing Member's proprietary positions.
- **Non-Clearing Member-Specific Solution**
  The margin requirement of a specific NCM is covered by a dedicated collateral pool, which only holds the collateral of this specific NCM. Maximum portability can be achieved through individual position and collateral segregation.

  As a part of this service, Eurex Members will be provided with:

  - Segregation of Clearing Member's proprietary, Agent Client and NCM positions
  - Possibility for Clearing Members to further distinguish between segregated, non-segregated and affiliated Agent positions
  - Possibility to hold client collateral with Eurex Clearing
  - Segregation of proprietary, omnibus client and NCM specific collateral (securities as well as cash collateral)
  - Protection of segregated client collateral against the default of the Clearing Member
  - A concept that focuses on a timely transfer of client positions and collateral in case of a Clearing Member default

Client Asset Protection will be technically implemented with Eurex Release 13.0.

Risk Protection Enhancements

The Risk Protection is a new service relying on data determined by the real-time risk calculation facility. The service enables the definition of configurable margin requirement limits both for General Clearing Members (GCMs) for each of their NCMs and for any exchange member for itself.

Should the intraday margin calculation reveal an excess of any such limit, Eurex Clearing's risk management systems will immediately interact with the trading layer taking the appropriate action which is assigned to the specific limit.

When setting any such limit, the member may chose from the following actions to be taken on breaching the limit:

- Broadcasting an alert message to the affected member
- Limit the member's frequency of Order/Quote Entry and Order/Quote Modification by enforcing a minimum delay between two such transactions in any single product
- Setting the member to state "HALT", in line with the existing Stop Button procedure

These actions which are triggered by the exchange per defined limits will reduce the speed of or ultimately prevent a further increase in risk through trading and/or clearing actions.

The Risk Protection enhancements replace the pre-trade risk limit functions, which were introduced with Eurex Release 10.0.

OTC Flexible Contracts Enhancements

The transaction-based treatment of OTC Flexible Contracts will be modified to support easier close-out processing. This will allow close-out of transactions originating from different OTC Flexible Contract trades.

Assignment processing will be adjusted accordingly.

Two new reports will provide combined information for standard exchange-traded as well as OTC-traded flexible contracts. One report will show the combined previous day's activity while the second will offer transaction / position information.

Additionally, position transfer with cash will be introduced for OTC Flexible Contracts.

Enhancement of the OTC Multilateral Trade Registration

The OTC Multilateral Trade Registration facility will be enhanced to allow brokers to include the following additional member-specific information when registering a multilateral OTC trade:

- Account
- Open / Close indicator
- Free format text fields

The fields optionally completed by the broker will be taken over to the OTC trade to be approved by the corresponding member involved in the multilateral OTC trade registration. Prior to its approval, the member will be able to overwrite the information entered by the broker.

The layout of report TC549 - EBI Trade Maintenance will be adapted to show the new fields including open / close code, account type and the three free format text fields.

Due to the increase of message size, the maximal number of subtrades involved in an OTC Multilateral Trade Registration trade will be reduced from 50 to 30.

Exercise / Assignment Enhancements

Merging of the **Assignment Overview**- and **Exercise Assignment Overview** windows

The functionality of both GUI windows will be merged into the new **Exercise Assignment Summary Overview** window. This will apply to all options products becoming accessible for both Clearing Members (CMs) and Non-Clearing Members (NCMs).

A new field will be added to the **Exercise Overview** window which indicates why a position will not be exercised. Therefore, the *Exercise Overview* filter will also be enhanced to show the reason for the un-exercised position.

Improved Member Product Assignment

The member product assignment functionality will be enhanced with the following features:

- Members will be able to use the existing *Export* button to download the product assignments into Excel and modify these on trader level. The new values can subsequently be loaded into the Eurex® system using the new **Import** window.
- Clearing Members will also be able to define quantities for several Non-Clearing Members in one file and upload them in one step.

Futures Settlement at a Price of "0"

Some of the recently introduced products such as Hurricane Futures and Single Name Dividend Futures require the ability to be settled at a price of zero ("0").

- Once settled at zero, the accrued variation margin paid or received will reflect the total contract value at the time of inception.

Position Transfer Enhancements to Facilitate Bulk Upload and Immediate Intraday Transfer

Position Transfer Process

Instant position updates and easy cash processing will be accomplished by the launch of real-time position transfer processing and automated cash calculation.

Efficient position transfer handling will be supported by the implementation of a bulk upload facility and a position validation at the point of transfer entry.

To provide members with a higher level of security an optional four-eye principle for position transfers with cash will be implemented.

Position Close-Out Process

The introduction of a bulk upload facility for position close-outs will allow members to process close-outs via file upload rather than performing them individually in the Eurex Clearing GUI.

Clearing GUI – Introduction of a Clearing Board

The **Clearing Board** window will be available in the Clearing GUI allowing multiple clearing windows to be opened within a single display similar to the existing **Trading Board** on the Trading GUI.

This feature will allow users to minimize or maximize all the windows contained in the **Clearing Board** at the same time so that it will be easier to locate a certain window if that window is opened within the **Clearing Board**.

2. Trading Enhancements

Matcher Performance Improvements

In order to reduce the processing time of non-persistent orders and quotes Eurex will further streamline the order and quote processing on the Eurex matching engines. Some of the changes have visibility on member level and are detailed below.

Changes to system order ID assignment

Currently, a modified order or quote will get a new system order ID in case the matching priority of the order or quote changes. In Eurex Release 13.0 an order or quote will keep its system order ID over its lifecycle. Even in case of a time priority change (due to a price change or an order quantity increase) the system order ID is not changed.

Changes to "VALUES API All Order Confirmation Broadcast and Quote Confirmation Broadcast"

Currently, for every order that is entered into the Eurex® system a "VALUES API All Order Confirmation Broadcast" is generated. Furthermore, for every (mass) quote entry or deletion a "VALUES quote confirmation broadcast" is sent in case the field is sent with value EXCH_CONST_NO.

In Eurex Release 13.0 there will be

- no "VALUES All Single Leg/StrategyOrder Confirmation Broadcast" for non-persistent orders entered via the Enhanced Transaction Solution and
- no "VALUES Quote Confirmation Broadcast" will be sent for Mass Quote requests (Enter and Delete) even if the field *suppQuoConfInd* is set to EXCH_CONST_NO.

Introduction of a Common Contract ID for Eurex's Optional Interfaces

A common contract identifier will be introduced which will be used by the existing Enhanced Broadcast Solution, Enhanced Transaction Solution and the new Enhanced Confirmation Solution (mentioned in Chapter 3). The contract identifier will remain valid for the whole lifetime of a contract.

No Impact on the Enhanced Transaction Solution

The Enhanced Transaction Solution Interface notation will remain unchanged. That means, two 2 byte integers, one for the product and one for the series within the product, will remain.

Impact on the Enhanced Broadcast Solution

For the Enhanced Broadcast Solution Interface, a 4 byte contract key will be used where the first two bytes encode the product and the second two bytes will encode the series. This approach ensures the best possible level of backwards compatibility.

More Digits for Price Information

The number of digits allowed for fields related to contract prices (bid prices, ask prices, trade prices and contract settlement prices, etc.) will be extended from 6 to 9 digits.

The following areas will be impacted by this modification:

- Enhanced Transaction Solution
- Enhanced Broadcast Solution
- Reports

3. Eurex's Optional Interfaces

Introduction of the Enhanced Confirmation Solution

The Enhanced Confirmation Solution will be introduced so that members can receive recoverable Order, Trade and Matching Event information without using a MISS.

The broadcast session will use similar technology and concepts to the existing trading sessions of the Enhanced Transaction Solution allowing members to use their preferred hardware and operating system environment.

Members will be able to subscribe to streams using the new broadcast session in a similar fashion to the MISS. The following streams will be provided:

- Recoverable Single Leg Order Confirmation
- Recoverable Double Leg Order Confirmation
- Recoverable Strategy Order Confirmation
- Recoverable Trade Confirmation
- Recoverable Single Leg Matching Events Confirmation
- Recoverable Double Leg Matching Events Confirmation
- Recoverable Strategy Matching Events Confirmation

New Features for the Enhanced Transaction Solution

The Enhanced Transaction Solution will be enhanced with the following features:

Automatic Notification of Session ID to Gateway Assignments
Eurex will enhance the trading session log-on notification to include gateway IP addresses of the gateways a session is assigned to and the corresponding optimum gateway location ID.

Relative Quantities for the Order Modify Request
An additional field will be added to the *modify order request* which will enable order quantities to be modified with a relative value, for example -20. Relative order quantities can be specified for Single Leg Options and Futures, regular Stop, Combination and Strategy Orders.

Harmonization of Enhanced Transaction Solution Timestamps
In order to facilitate real-time Round Trip Time (RTT) analysis, the "Host-in" / "Host-out" (the first/last timestamps written by the network architecture on the hosts) will be provided in µs in the *Order Status Notification* of synchronous responses related to an order request. In the future, members will be able to receive the transaction time in µs (encoded in the *LastEventTrnId* field).

"Cancel-on-Disconnect" for Persistent Orders
The existing *Cancel-on-Disconnect* function will be extended to also cover persistent orders for options, price-time futures and pro-rata futures.

Information Provision and Recovery via the Enhanced Transaction Solution
Two new requests, *Inquire Updated Contract Information* and *Inquire Trade*, will be added to the Enhanced Transaction Solution. These will allow members to request settlement prices, open interest and trade price information.

New Features for the Enhanced Broadcast Solution

The Enhanced Broadcast Solution will be extended with the following features:

Provision of a Dynamic Reference Data Stream
In order to provide members with easier access to the user-defined strategy information or changes in product status and contract status information, an (exchange-wide) Dynamic Reference Data Stream will be introduced and will carry the following information:

- Product state change
- Instrument state change information including intra-day expiration of instruments that still exist in both the static reference data and snapshot streams
- Creation/Deletion of user-defined strategies

Recovery of the Dynamic Reference Data itself will not be possible, however, the stream will be sequenced enabling members to identify the fact that messages have been missed.

Provision of Additional Open Interest Information
The static reference data stream will be enhanced to include the previous day's adjusted and unadjusted open interest quantity for each single leg instrument.

Inclusion of Additional Fields to the Static Reference Data
An additional field, *InstrumentStatus* will be added to the single leg reference data message of the static reference data stream and will contain a value to indicate whether an instrument is active or inactive. Additionally, the static reference data stream will be enhanced to include the price step table for a product, enabling members to apply it to price calculations without having to make reference to any other interfaces.

Harmonization of the Product Status and Contract Status fields

In order to harmonize the product and contract status fields, the following changes will be made in Eurex Release 13.0:

- *Contract Status Type* will be renamed to *Trading Status Type*
- *Product Status Type* will be removed (transitions to "POSTF", "POSTR", "POST1", "POST2" or "BATCH" will no longer be provided).
- The *Product Status* message will be replaced by a new *Trading Status* Message. A change in the trading status of either an entire product or a single instrument will be conveyed by the use of the *Trading Status Type* .

Timestamp Granularity / Addition of a New Timestamp Field
A new high-resolution timestamp with a microsecond resolution will replace the timestamps in the following messages:

- Snapshots and Deltas
- Trade Information
- (Cross or Quote) Request Information

An additional timestamp, *AggressorTime*, with a microsecond resolution, will also be added to trade events. This timestamp represents the time at which the aggressor order, that is, the order that triggered the trade, arrived on the Eurex host.

Number of Orders per Price Level / Additional Trade Indicator Value

A new field, *noOfContributors*, representing the total number of orders and quotes contributing to the available volume at the given price, will be provided for outright price types only. Furthermore, a new value will be added to the allowed range of values to indicate that the trade in question is an auction trade price.

Usage of the Gap Indicator in Enhanced Broadcast Solution Messages

Currently, in Enhanced Broadcast Solution messages (order book incremental/delta message) the gap indicator is set when the Enhanced Broadcast Solution data generators were not able to publish an order book. In addition, it is also possible that not every order book is published due to a core matching image processing more than one order at a time. In this case no gap indicator is currently sent for the next order book message.

In Eurex Release 13.0 order book incremental/delta messages will be tagged with the gap indicator in every case where order books have not been published. Hence, it is expected that the number of order book messages with a set gap indicator will increase.

4. Technical Enhancements

Support for Microsoft Windows Server 2008 R2 (64 bit) on MISSes and Microsoft Windows 7 (64 bit) on Workstations

Shortly after the introduction of Eurex Release 13.0, support for the Microsoft Windows operating systems Windows Server 2008 R2 (64 bit) for MISSes and Microsoft Windows 7 (64 bit) for Workstations will be provided,

At this point, the following MISS/Workstation combinations will be supported:

MISS	Workstation
Oracle Solaris x86	Oracle Solaris x86
Oracle Solaris x86	MS Windows 7 (64 bit)
Oracle Solaris Sparc	MS Windows XP
Oracle Solaris Sparc	MS Windows 7 (64 bit)
MS Windows Server 2003	MS Windows XP
MS Windows Server 2008 R2 (64 bit)	MS Windows 7 (64 bit)

Please note that, due to the direct support for Windows Server 2008 R2 / Windows 7, the Microsoft VISTA operating system will neither be possible nor supported.

Backward Compatibility

Several features mentioned above do not provide backward compatibility. Member applications which cannot handle these changes must be adapted accordingly.

Backward Compatibility of Eurex Release 13.0 New Features / Enhancements

New features / Enhancenments in Eurex Release 13.0	Backward compatible Y(Yes) / N (No) / N/A (Not Applicable)
1. Clearing Enhancements	
Client Asset Protection	***N***
Risk Protection Enhancements	
- new requests	*N/A*
- old requests	***Y***
OTC Flexible Contracts Enhancements	***N***
Enhancement of the OTC Multilateral Trade Registration	***Y***
Exercise/Assignment Enhancements	***Y***
Improve Member Product Assignment	*N/A*
Futures Settlement at a Price of "0"	***Y***
Position Transfer Enhancements to Facilitate Bulk Upload and Immediate Intraday Transfer	***Y***
Clearing GUI - Introduction of a Clearing Board	*N/A*
2. Trading Enhancements	
Matcher Performance Improvements	
Changes to system order ID assignment	***Y***
Changes to "VALUES API All Order Confirmation Broadcast and Quote Confirmation Broadcast"	***Y***
Introduction of a Common Contract ID for Eurex's Optional Interfaces	***Y***
More Digits for Price Information	*N/A*
3. Eurex's Optional Interfaces	
Introduction of the Enhanced Confirmation Solution	*N/A*
New Features for the Enhanced Transaction Solution	***Y***
Automatic Notification of Session ID to Gateway Assignments	*N/A*
Relative Quantities for the Order Modify Request	*Y*
Harmonization of Enhanced Transaction Solution Timestamps	*Y*
"Cancel-on-Disconnect" for Persistent Orders	*N/A*
Information Provision and Recovery via the Enhanced Transaction Solution	*N/A*
New Features for the Enhanced Broadcast Solution	***N***
Provision of a Dynamic Reference Data Stream	*N/A*
Provision of Additional Open Interest Information	*N*
Inclusion of Additional Fields to the Static Reference Data	*N*
Harmonization of the Product Status and Contract Status fields	*N*
Timestamp Granularity/Addition of a New Timestamp Field	*N*
Number of Orders per Price Level/Additional Trade Indicator Value	*N*
Usage of the Gap Indicator in Enhanced Broadcast Solution messages	***Y***
4. Technical Enhancements	
Support for Microsoft Windows Server 2008 R2 (64 bit) on MISSes and Microsoft Windows 7 (64 bit) on Workstations	*N/A*

Frankfurt, March 30, 2010

Eurex Release 13.0 Information Schedule	II / 2010			III / 2010			IV / 2010		
	04/2009	05/2009	06/2009	07/2009	08/2009	09/2009	10/2009	11/2009	12/2009
Release Announcement & Information Schedule	30.03.								
Technical & Functional Release Notes (Preliminary Versions)			14.06.						
VALUES API Member FE Development Guide (Planning version)			14.06.						
Enhanced Broadcast -, Transaction - and Confirmation - Solutions - Interface Specifications (Programming Versions)			14.06.						
Member Interface Specification - File Interface Layouts			14.06.						
Circular: Important Information for Eurex 13.0 Simulation Start					09.08.				
Technical & Functional Release Notes (Final Versions)					09.08.				
VALUES API Member FE Development Guide (Programming version) and Enhanced Risk Solution (Simulation Versions)					09.08.				
Eurex Member Manuals (Simulation Versions)					09.08.				
Enhanced Broadcast -, Transaction - and Confirmation - Solutions - Interface Specifications (Simulation Versions)					09.08.				
Member Simulation Guide					16.08.				
Front-End Installation and Operations Guides					16.08.				
Front-End Access to Exchange Applications					16.08.				
Network Access to Exchange Applications					16.08.				
Simulation Kit & Notes						27.08.			
Eurex Release 13.0 Simulation					06.09.			29.10.	
VALUES API Member FE Development Guide (Final Version)						27.09.			
Enhanced Broadcast -, Transaction - , Confirmation - and Risk Solutions - Interface Specifications (Final Versions)						27.09.			
Eurex Member Manuals (Production Version)							04.10.		
Circular: Important Information for Eurex 13.0 Production Start							11.10.		
Circular: Production Launch of Eurex Release 13.0, New Features, Timelines, Update Legal Documentation.							18.10.		
Production Kit & Notes							29.10		
Eurex Release 13.0 Production Launch								08.11.	
Circular: Advanced Simulation Eurex 13.0 Start								12.11.	