Eurex Clearing Circular 058/18

EurexOTC Clear: Production launch announcement of EurexOTC Clear Release 8.1

Summary

With this circular, Eurex Clearing announces the production launch of EurexOTC Clear Release 8.1 on **18 June 2018**.

For a description of the changes that will be introduced with EurexOTC Clear Release 8.1, please refer to Eurex Clearing Circular 011/18 and to the "EurexOTC Clear Functional Release Notes".

Please note that the functions and services introduced with this release will have an impact on interfaces and reports of Eurex Clearing.

With reference to the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG, we kindly request Eurex Clearing Members to complete and return the Readiness Statement at the latest by Friday, 15 June 2018.

Attachment (only on the website available):

- Readiness Statement for EurexOTC Clear Release 8.1

Date: 7 June 2018

Recipients:
All EurexOTC Clear Clearing Members and Registered Customers of Eurex Clearing AG and Vendors

Authorized by:
Thomas Laux

Target group:
All departments

Contact:
Group Client Key Account Management Clearing,
otcrelease@eurexclearing.com

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The following documents contain essential information und updates regarding OTC Release 8.1. They are available in the Member Section of the Eurex Clearing website www.eurexclearing.com:

Published documents	
Action	**Name of document/path**
Release Update	• EurexOTC Clear Procedure Manual • EurexOTC Clear Risk Methodology Description (IRS) – final version • EurexOTC Clear Risk Methodology Description (FX/XCCY) – final version Technology > EurexOTC Clear > OTC Release 8.1 > Overview and Functionality
	• EurexOTC Clear Reports - Samples & XSDs (update Rate Reset Report)

1. Functional and technical enhancements for all participants

The following changes that are introduced with this release are relevant for OTC IRS and OTC FX / XCCY Swap participants:

- For EMIR Article 9 reporting, fields for Product ISIN, CFI Code, Trading Venue MIC are needed. They will be included in the broadcast messages to Members, Member reports and EurexOTC Clear GUI, if provided by the approved trade source.
- A new field to represent the type of venue where a trade was executed will be introduced for broadcast messages to Members, Member reports and EurexOTC Clear GUI.
- CD201 Rate Reset Report, CC203 Variation Margin Report and CC222 Variation Margin Report will be distributed after midnight.
- All timestamps in XML formatted Member Reports and in FpML messages (sent out by Eurex Clearing) will contain the time zone information according to ISO 8601 standard and will show also the millisecond information. The time information will be shown in Frankfurt Local Time (CET/CEST) with offset to UTC: YYYY-MM-DDThh:mm:ss.sssTZD (e.g. 2018-02-23T10:20:30.450+01:00).
- The OTC GUI will be extended with a new (third) line in the “Authorization required” section. It will be possible to see the pending authorization for the netting parameters. Pending approvals are indicated in the “Authorization required” field.
- A new ping request (Heartbeat functionality) will be introduced for the Eurex Clearing FpML interface (FpML API) as well as for the TradeEntryAPI. It will allow Members/Submitting System to check the connection.
- Some further minor changes on reports, such as CD298 Static Data Report, population of XML tags USI, USIIssuer, priorUTI, priorUTIIssuer, priorUSI, priorUSIIssuer in some reports. The changes are shown in the Functional Release Notes and EurexOTC Clear Report Manual,

- A new error code/message in connection with a Trade transfer in the Eurex Clearing FpML Interface and for the EurexOTC Clear GUI (Error code 3005 with description "Invalid transferee party"; error message “Member ID does not exist”).
- The initial margin calculation of the FX risk for OTC transactions will be refined in cases where the trade currency is different to the member specific clearing currency

Please consider as well an update on the CD201 Rate Reset Report. The XSD required an update to support the multiple resets for the same currency pair in case of a backloaded XCCY Swap trade.

2. Enhancements for OTC IRS

Eurex Clearing will enhance its clearer change process for its EurexOTC Clear Service, so that the old Clearing Member will receive a “TERMINATED” message for the transactions which were moved from the old Clearing Member relationship to the new Clearing Member.

A new PTE type “ClearerChange” will be displayed in any reports displaying the PTE Type tag. Variation Margin Reports will show Variation Margin for both new and old transactions.

3. Enhancements for OTC Currency Products

With Release 8.1, all FX products (FX Spot, FX Forward and FX Swap) will be made eligible for netting.

Presently, only inter-dealer trades are supported for OTC Currency Products. With Release 8.1 technical implementation in preparation for supporting client trades rolled out. Service activation of client trades however is subject to regulatory approval and further information on timelines shall follow in due course.

Several Member Reports will be enhanced to support the technical introduction of Client Clearing and netting for FX Products.

Settlement Limit monitoring will be extended for Client Trades. Currently, the monitoring of the limit is done both at account level and aggregated settlement value at Clearing Member level. With Release 8.1, the report CI054/CE054 FX Settlement Limit Report will be enhanced by introducing several additional columns.

4. Margin Calculator enhancements

The EurexOTC Margin Calculator GUI will be renamed to Prisma Margin Calculator GUI.

A new ping request (Heartbeat functionality) will be introduced for the Margin Calculator (MC API). With Release 8.1 the check of valuation date in the “MarginCalculatorRequest” message will be corrected. The check for the past date will be relaxed and a request message will be accepted. However, a future date will not be accepted and a request with a future valuation date will be rejected with an error message. The Clearing Member will be able to send margin calculation request for OTC FX and XCCY Swap Client trades via the MC GUI.

5. Production preparation tasks

Please note that the functions and services introduced with this release (such as reports and FpML messages) will have an impact on the interfaces of Eurex Clearing. In order to prepare for the start of production, please update your systems (e.g. for report processing) with the newly created schemes (e.g. report XSDs), valid for the EurexOTC Clear Release 8.1 as of 18 June 2018 (start of business).

Please note: After the batch processing on Friday, 15 June 2018, reports are created based on EurexOTC Clear Release 8.0 formats. Intraday and End of Day reports that are created on Monday, 18 June 2018, start of business, will be created based on EurexOTC Clear Release 8.1 formats.

6. Readiness Statement

With reference to the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG, we kindly request Eurex Clearing Members to complete and return the Readiness Statement at the latest by Friday, 15 June 2018.

The Readiness Statement is available for download in the Member Section of Eurex Clearing website under the following path:

Technology > EurexOTC Clear > OTC Release 8.1 > Overview & Functionality

We kindly ask you to nominate a project coordinator responsible for EurexOTC releases - if not already done. In particular this/these person(s) will receive EurexOTC Clear Newsflashes where Eurex Clearing informs about general simulation issues, simulation-specific behaviours, known limitations as well as any documentation updates (e.g. publication of functional and technical documents).

If you have any questions or require further information please contact Group Client Key Account Management Clearing by sending an e-mail to: otcrelease@eurexclearing.com.

7 June 2018