X-pand into the Future

e u r e x *circular 103/10*

Date: Frankfurt, May 31, 2010
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
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Action required **High priority**

Eurex Release 13.1: Introduction

Related Eurex Clearing Circular: 019/10

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Content may be most important for:	**Attachment:**
Ü All departments	Eurex Release 13.1: Information Schedule

Summary:

Eurex Release 13.1 encompassing the below-listed features is planned to be introduced on **April 11, 2011**. The Eurex Release 13.1 simulation period is scheduled from **February 28** to **April 7, 2011**.

Scope of Eurex Release 13.1

- Enhancements to the Risk-Based Margining Calculation procedure
- Introduction of a Risk Based Margin Calculation by Contract and Maturity
- Consolidation of Eurex / EEX margin procedures

Main focus of the release will be the integration of the enhanced risk calculation announced on March 31, 2010 into the standard end of day and intraday processing of Eurex.

Therefore as prescribed by Exchange Rules for Eurex Deutschland and Eurex Zürich, section 4.8 and the Clearing Conditions for Eurex Clearing AG, Chapter 3.1, para. 6 and 7, all Clearing Members and Non-Clearing Members with client business have to adapt their Risk-Based Margining procedures according to the new Risk-Based Margining procedures of Eurex Clearing AG.

With Eurex Release 13.1 the file structure of the Theoretical Price Files as well as some risk reports will be changed.

In order to ensure the operability of these files and these reports Members have to adapt their systems accordingly. Consequently, Eurex Release 13.1 is mandatory for all Members using the Theoretical Price Files and the Eurex risk reports. In case of cooperation with back-office vendors, Members should contact their third-party providers as soon as possible so that the necessary adaptations can be done in time.

Please note that there will be no changes and therefore no rollout of the Eurex Front-end software. Hence there will be no necessity for a connection test prior to the production launch of Eurex Release 13.1.

Eurex Release 13.1: Introduction

Eurex Release 13.1 encompassing the below-listed features is planned to be introduced on April 11, 2011. The Eurex Release 13.1 simulation period is scheduled from February 28, 2011 to April 7, 2011.

Scope of Eurex Release 13.1

Enhancements to the Risk-Based Margining Calculation procedure

With Eurex Clearing circular 019/10 "Changes in Implied Volatility for Risk-Based Margining", Eurex Clearing AG announced on March 31, 2010 that the Risk-Based Margining methods of Eurex Clearing AG have been enhanced such that the risk of changes in implied volatility is considered by calculating two-dimensional scenarios, i.e. simultaneously shifting the underlying price and the implied volatility. With this enhancement, Eurex Clearing has increased the accuracy of the additional margin calculation for options and reflected more accurately a further risk component.

The consideration of the vega risk by shifting volatilities will be integrated in the standard Risk-Based Margin calculation. Margin shortfall resulting from the vega risk will be debited with the usual end-of-day (EOD) and intraday processing.

Due to the integration of the changes for implied volatility for Risk-Based Margining announced with Eurex Clearing circular 019/10 on March 31, 2010, in the existing reporting structure the calculation procedure will become more transparent.

Reports CV050, CV055, CV060 and CV042 will be discontinued. The reports CC050, CC055, CC060 and CD042 as well as their intraday counterparts (CI050, CI055, CI060 and CI042) will then contain the margin figures as determined by Risk-Based Margining including the changes in the implied volatility.

Introduction of a Risk-Based Margin Calculation by Contract and Maturity

Risk-based margining will be enhanced to cope with the requirements of new products (e.g. dividend futures) with significantly differing volatilities for different maturities.

The definition of a new set of maturity-dependant factors per margin class will become possible. There will be one maturity factor between 0 and 1 for each maturity that is applied to the margin parameter.

In order to avoid side effects due to calendar spreads each expiration will be handled separately within a margin class. Correlations between single maturities will be addressed on margin group level.

In this context a new margin parameter file (FPPARA) will be introduced which contains the maturity factors configured for a margin class. This file will be transferred with the same periodicity and to the same locations as the already existing FPPARM file.

Consolidation of Eurex / EEX Margin Procedures

Liquidating values and additional margin calculation for Eurex derivatives and EEX derivatives will be integrated into the reports CC040 Liquidating Values and CC045 Additional Margin. Cross margining on margin group level will become possible between Eurex derivatives and EEX derivatives. Consequently, reports CC042 Liquidating Values EEX and CC047 Additional Margin EEX will be discontinued.

Further information will be provided with the following documents which will be published according to the timelines mentioned in the “Information Schedule” which is attached to this circular:

- Eurex Release 13.1: Enhancements to Risk-Based Margining
- Member Interface Specifications – File Interface Layouts
- Eurex User Manual - System Overview & Information Manual
- Eurex XML Report Reference Manual

Frankfurt, May 31, 2010

Eurex Release 13.1 Information Schedule	II / 2010		IV / 2010	I / 2011			II / 2011		
	05/2010	06/2010	12/2010	01/2011	02/2011	03/2011	04/2011	05/2011	06/2011
Circular: Release Announcement & Information Schedule		31.05.							
Document: Eurex Release 13.1 - Enhancements to Risk Based Margining		14.06.							
Member Interface Specification - File Interface Layouts			13.12.						
Circular: Important Information for Eurex 13.1 Simulation Start					31.01.				
Eurex User Manual - System Overview & Information Manual (Simu. Version)					31.01.				
Eurex XML Report Reference Manual (Simu. Version)					31.01.				
Member Simulation Guide					07.02.				
Eurex Release 13.1 Simulation					28.02.		07.04.		
Eurex User Manual - System Overview & Information Manual (Prod. Version)						07.03.			
Eurex XML Report Reference Manual (Prod. Version)						07.03.			
Circular: Important Information for Eurex 13.1 Production Start						14.03.			
Eurex Release 13.1 Production Launch							11.04.		