clear to trade

eurex clearing
circular 019/16

Date: 12 February 2016
Recipients: All EurexOTC Clear Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Thomas Laux

EurexOTC Clear for Interest Rate Swaps: Introduction of EurexOTC Clear Release 6.1

Contact: Member Services & Admission, T +49-69-211-1 17 00, memberservices@eurexclearing.com

Content may be most important for:	**Attachment:**
➲ All departments	EurexOTC Clear IRS Release 6.1 Information Schedule

Summary:

With EurexOTC Clear Release 6.1, Eurex Clearing will extend its EurexOTC Clear Service for Interest Rate Swaps (IRS) with additional functions and services.

The details for the new release are as follows:

Release:	**EurexOTC Clear Release 6.1**
Start of simulation:	**9 May 2016**
Introduction date:	**13 June 2016**

Please note that the functions and services introduced with this release might have an impact on Members' internal processes. Therefore, it might be necessary for Members to update their internal processes and interfaces. 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 made in time.

EurexOTC Clear for Interest Rate Swaps: Introduction of EurexOTC Clear Release 6.1

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Functional changes and enhancements

The following functional changes and enhancements, which will be introduced with EurexOTC Clear Release 6.1, will be described in the "Functional Release Notes". This document is scheduled to be published in end-March 2016, as mentioned in the "EurexOTC Clear IRS Release 6.1 Information Schedule".

Introduction of a new Member role

A new Member role will be introduced with EurexOTC Clear Release 6.1. The new Member role will be reflected in the reports and FpML messages, i.e. this role will be added to the domain "role" in optional tag <membRole>. Reports, FpML messages and XSDs will be updated accordingly.

Further functional and technical details will be provided at a later stage.

Changes in Price Alignment Interest (PAI) calculation

In order to align the Price Alignment Interest (PAI) as closely as possible with the market standard, Eurex Clearing will change the calculation. This will be achieved by incorporating two changes into the PAI calculation:

- Replacement of "MtM" by "MtM_exCF", so that PAI is based on cumulative Variation Margin
- Change to the calculation for PAI to consider overnight rate for T instead of T-1.

Changes in cash flow reports (Coupon Paid versus Coupon Received)

In the Cash Flow Reports (CD200, CD210) although the direction of a cash flow (pay/receive) is currently displayed, the swap leg from which it originates is not. In order to determine more easily from which swap leg (pay/receive) the cash flow originates, a new tag and a new signing convention (cash flow to be paid is always -CF and a received amount is always +CF) will be introduced.

Bulk Backloading Processing timing changes

Due to market demand, Eurex Clearing has decided to run the bulk backloading processing earlier on in the day:

- The preliminary backloading batch will be brought forward from its current time 17:00 (CET) to 15:00 (CET).
- Incremental risk check and backloading novation batch will be brought forward from its current time 21:00 (CET) to 17:00 (CET).
- Cut-off time for same day trade novation is 15:00 (CET). Any trades received after this point will be considered for the next day's cycle.

Further functional enhancements

With EurexOTC Clear Release 6.1, further functional changes will be implemented:

- Inflation fixings present in the Inflation Curve for the valuation date will be included in the Interest Rate Curve Report CI210/CC210 and the Risk Factor Report CI202/CC202
  - Interest Rate Curve Report CI210/CC210:
    - Maturity Offset = 0
    - Maturity Date = Date (first of the month) for which the fixing is valid, e.g. 2015-11-01
    - Value Type = S
  - Risk Factor Report CI202/CC202:
    - Maturity Tenor = 0D
    - Maturity Tenor Date = Date (first of the month) for which the fixing is valid, e.g. 2015-11-01
    - Value Type = S

Trade eligibility enhancements

The following trade eligibility enhancements will come into effect with the upcoming release:

- Allow termination fees in a certain period after trade termination date

Currently we allow trades to clear with fee on T (and fee settling on T+1 with T+2 currencies such as Japanese Yen). We ignore the fee as we assume that this fee would be settled bilaterally. To be in line with market standard, the following changes in the handling of trades with fee on T will take place:

- Trade in T+1 currency with fees settling on T will be rejected.
- Trade in T+2 currency with fees settling on T, T+1 will be rejected.

System Enhancements

The only impact on reports, FpML API messages and XSDs will be the introduction of a new Member role and the changes in the cash flow report as described above. A new report will be introduced which contains static data on account level for CMs and RC, so that members receive information about their setup at Eurex Clearing. Other functional and trade eligibility enhancements will not impact the structure of the interfaces.

All functional changes will be reflected in the upcoming release documents, such as the Functional Release Notes and Procedures Manual, which will be published according to the "EurexOTC Clear IRS Release 6.1 Information Schedule".

Overview of published documents

An overview of documents which will be updated in connection with the introduction of EurexOTC Clear Release 6.1 can be found in the document "EurexOTC Clear IRS Release 6.1 Information Schedule", which is attached to this circular. All documents can be downloaded on the date stated from the Member Section of the Eurex Clearing website under the following path:

Member Section > Technology > EurexOTC Clear > Interest Rate Swaps > IRS Release 6.1

Please do not hesitate to contact Trading & Clearing Services at tel. +49-69-211-1 17 00 or memberservices@eurexclearing.com if you have any questions related to the above.

12 February 2016

Action	EurexOTC Clear IRS Release 6.1 Information Schedule	Q IV 2015	Q I 2016			Q II 2016		
		12/2015	01/2016	02/2016	03/2016	04/2016	05/2016	06/2016
Release Update	Release Announcement EurexOTC Clear Release 6.1		☐					
Release Update	EurexOTC Clear Functional Release Notes - final version				☐			
Release Update	EurexOTC IRS Report Manual - final version				☐			
Release Update	EurexOTC Clear Sample Reports & XSD - Updated and New Reports - final version				☐			
Release Update	EurexOTC Clear IRS GUI User Guide					☐		
Release Update	EurexOTC Clear Simulation Guide					☐		
No changes	Margin Calculator Trade Template Field Description					☐		
No changes	Margin Calculator User Guide + Templates					☐		
No changes	FpML Margin Calculator Interface XSD and Samples for Simulation					☐		
Release Update	FpML Margin Calculator Interface Specification					☐		
Release Update	FpML API XSD and Samples for Simulation					☐		
Release Update	FpML API Interface Documents					☐		
Release Update	EurexOTC Clear Risk Methodology Description - Programming					☐		
Milestone	Start of IRS Release 6.1 Simulation						09/05/2016	
Release Update	Clearing Conditions & Production Announcement						☐	
Release Update	EurexOTC Clear IRS Procedures Manual						☐	
Release Update	EurexOTC Clear Product list						☐	
Milestone	Start of EurexOTC Clear IRS Release 6.1							13/06/2016