

clear to trade



## eurex clearing circular 166/14

**Date:** 21 November 2014  
**Recipients:** All Clearing Members of Eurex Clearing AG and Vendors  
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**EurexOTC Clear: Announcement for production launch of  
EurexOTC Clear Release 5.0**

**Related Eurex Clearing circular:** 114/14

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**Content may be most important for:**

☞ All departments

**Attachments:**

none

**Summary:**

Eurex Clearing hereby announces the production launch of EurexOTC Clear Release 5.0 on **1 December 2014**.

Kindly forward this announcement to all involved departments in your company.



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**EurexOTC Clear: Announcement for production launch of  
EurexOTC Clear Release 5.0**

Eurex Clearing hereby announces the production launch of the EurexOTC Clear Release 5.0 on 1 December 2014.

**Production launch of EurexOTC Clear Release 5.0**

As announced in Eurex Clearing circular 114/14, Eurex Clearing will extend its EurexOTC Clear service for Interest Rate Swaps (IRS) with Release 5.0 with the following functionality and services:

- Preparation of the clearing service for the introduction of the new Multilateral Netting Service (compression)
- Preparation for extending the range of cleared OTC derivatives by including zero coupon inflation swaps (ZCIS). Activation of zero coupon inflation swaps (ZCIS) is subject to regulatory approval and will be announced separately.
- Changes in product eligibility specifications. The maximum maturity for Overnight Interest Swaps is increased from three years to 30 years for the following currencies: euro, US dollar, British pound and Swiss franc.
- Changes to the risk methodology, i.e. alignment of variation margin calculation and coupon payment processing as well as enhancement of the hedge portfolio calculation for the liquidity adjustment
- The Common Report Engine (CRE) will be enhanced to harmonise the report delivery process and to increase the download performance. All EurexOTC Clear IRS reports (intraday and overnight) will be provided exclusively in a compressed format (\*.zip) containing existing .xml, .csv or .txt files. In addition, a “versioning” of “End of Day” reports will be introduced. The following reports will be sent exclusively in a compressed format with the introduction of Release 5.0:

Trade Novation Report (CI/CB200)	Client Margin Report (CC208)	Intraday Fixing Report (CI281)
Trade Daily Summary Report (CI/CB201)	Interest Rate Curves Report (CI/CC210)	Preliminary Backloading Margin Report (CI217/CC217)
Risk Factor Report (CI/CC202)	Hedge Portfolio Report (CC212)	Backloaded Portfolio Report (CI218)
Variation Margin Report (CC203)	Full Inventory Report (CB202)	Business Holiday Calendar Report (CD299)
Overall Margin Report (CC204)	Cash Forecast Report (CD200)	Liquidity Table (CI/CC220)
OTC Incremental Risk Report (CI/CC205)	Rate Reset Report (CD201)	Parameter File (CI/CC221)
Preliminary OTC Margin Call Report (CI206)	Netting Forecast Report (CD202)	Compression Fee Breakdown Report (CB204)
OTC Margin Call Report (CI/CC207)	Intraday Settlement Report (CI280)	

- Report changes, as described in the Functional Release Notes are reflected in the “EurexOTC Clear Report Manual”, thus further enhance the transparency and clarity of the EurexOTC Clear reporting service Eurex Clearing is offering to Clearing Members
- The Margin Calculator will be enhanced with sensitivity-based margin calculation and a status bar, indicating the processing status of the calculation progress

For clarification we would like to point out the following aspects:

- Several reports will contain a new field due to the new Multilateral Netting Service (compression). This field is static data to facilitate reconciliation if a trade is created out of compression. Please refer to the updated “EurexOTC Clear IRS Report Manual”.
- A first compression cycle in production is planned for the first quarter of 2015. The “EurexOTC Clear Simulation Guide”, updated with a detailed guidance through the compression simulation, will be published in December 2014. A first compression cycle in simulation is planned for the middle of the first quarter of 2015.
- An updated version of the document “EurexOTC Clear Risk Methodology Description Interest Rate Swaps (IRS) – Final Version” will be provided in the near future, thus the preliminary version of this document from 7 October 2014 is still valid.

Before Clearing Members can use the Multilateral Netting Service, they have to notify utilisation of the new services by filling in the form "EurexOTC Clear Interest Rate Derivative Static Data Form for Clearing Member for Production & Simulation". This has to be done latest prior to the first compression cycle. This form is available for download on the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com) at the following path:

**Resources > Forms > EurexOTC Clear**

Please note: As opposed to the information mentioned in the “EurexOTC Clear IRS Simulation Guide”, Clearing Members interested in testing zero coupon inflation swaps (ZCIS) in simulation may apply set-up via e-mail to [otcirs.onboarding@eurexclearing.com](mailto:otcirs.onboarding@eurexclearing.com).

In the course of the introduction of EurexOTC Clear Release 5.0, several functional, technical and interface documents were already published. The following documents were updated and provided as specified below:

<b>Technical document released</b>	
Update	EurexOTC Clear IRS Report Manual
Path	<b><u>Member Section</u> &gt; Technology &gt; EurexOTC Clear &gt; Interest Rate Swaps &gt; IRS Release 5.0 &gt; Technical Manuals</b>
<b>Functional document released</b>	
Update	EurexOTC Clear IRS Release Notes
Path	<b><u>Member Section</u> &gt; Technology &gt; EurexOTC Clear &gt; Interest Rate Swaps &gt; IRS Release 5.0 &gt; Functional Manuals</b>

A detailed description of the full EurexOTC Clear Service can be found in the “EurexOTC Clear IRS Procedures Manual” available in the Member Section of the Eurex Clearing website under the path for functional documents mentioned above.

If you have any questions or require additional information, please contact Trading & Clearing Services at tel. +49-69-211-1 17 00.

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