clear to trade

eurex clearing *circular 072/16*

Date: 30 May 2016
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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1. Deferred contract specific processing on last trading day

2. Change in rounding rule for calculation of the invoice amount for government bond futures

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Content may be most important for:	**Attachments:**
➲ All departments	none

Summary:

1. Deferred contract specific processing for following products in the front month contract on the last trading day:
   – FGBL, FGBM, FGBS, FGBX
   – OEM1, OEM2, OEM3, OEM4, OEU3
   – OCEF, OCEP, OCEU, OCPF, OCPU, OCUF
2. Change in rounding rule for the calculation of the invoice amount for Government bonds compared to the Eurex Clearing Classic system: Decimals truncation rule is replaced by a commercial rounding rule.

1. Deferred contract specific processing on last trading day

2. Change in rounding rule for calculation of the invoice amount for government bond futures

1. Deferred contract specific processing for following products in the front month contract on last trading day

1.1 Contract specific processing in the Eurex Clearing Classic system

On the last trading day, position and transaction adjustments can be performed longer for back month contracts than front month contracts, i.e. clearing on front month contracts is restricted earlier:

- All exercises/notifications for the front month contracts have to be processed until a particular deadline/cut-off time, as specified in the contract specifications
- Position and transaction adjustments for the front month contracts have to be completed by this time

1.2 Contract specific processing in Eurex Clearing C7 Release 3.0

Since the start of C7 Release 3.0, no technical contract specific processing is in place. As a result, the end-of-day processing on the last trading day and thus the related information distribution will be deferred (on the last trading day and for the front month contract only) as follows:

- Products FGBL, FGBM, FGBS, FGBX: End-of-day processing for the front month starts at 22:30 CET instead of 20:00 CET
- Products OCEF, OCEP, OCEU, OCPF, OCPU, OCUF: End-of-day processing for the front month starts at 20:30 CET instead of 16:00 CET
- Products OEU3, OEM1, OEM2, OEM3, OEM4:
  - End-of-day processing for the front month starts at 20:00 CET instead of 11:45 CET for the quarterly OEU3 and the OEM1 JUN16:
  - End-of-day processing for the front month starts at 20:00 CET instead of 18:00 CET for all serial OEU3 expirations and all OEMs (except OEM1 JUN16)
- Assignment/allocation information distribution will be deferred accordingly.

A manual operational process has been implemented to ensure compliance with the published cut-off times. Any transaction and/or position adjustments entered after the cut-off time in these front month contracts will be reversed by Eurex Clearing.

The technical process to allow contract specific processing is planned to be implemented in September 2016. Eurex Clearing will inform about the exact date in August 2016.

2. Change in rounding rule for calculation of the invoice amount for government bond futures

2.1 Rounding rule in the Eurex Clearing Classic system

Please note that the calculation of the invoice amount for the delivery of government bonds has changed compared to the calculation method described in the Eurex User Manual – System Overview & Information Manual. The manual states the following:

"The CCP, which receives delivery instructions resulting from notification/allocation from the Eurex system, performs the delivery processing in cooperation with the CSDs. The invoicing amount of deliverable bonds (bund future delivery) is calculated as follows:

(final settlement price X conversion factor X 1000) [a] + accrued interest [b]

[a]: The amount is calculated till second decimal place

[b]: The amount is commercially rounded off after the second decimal place"

2.2 Adapted rounding rule in C7 Release 3.0

With C7 Release 3.0 commercial rounding has been introduced for [a].

Therefore, with C7 Release 3.0, the section will be updated as follows:

"The CCP, which receives delivery instructions resulting from notification/allocation from the Eurex system, performs the delivery processing in cooperation with the CSDs. the invoicing amount of deliverable bonds (bund future delivery) is calculated as follows:

(final settlement price X conversion factor X 1000) [a] + accrued interest [~~b~~a]

[~~a~~]~~: The amount is calculated till second decimal place~~

[~~b~~a]:The amount is commercially rounded off after the second decimal place"

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