

clear to trade



eurex clearing circular 088/15

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Recipients: All EurexOTC Clear Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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**EurexOTC Clear for Interest Rate Swaps:
Introduction of EurexOTC Clear Release 6.0**

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Content may be most important for:

☉ All departments

Attachment:

EurexOTC Clear IRS Release 6.0 Information Schedule

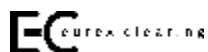
Summary:

With EurexOTC Clear Release 6.0, Eurex Clearing will extend its EurexOTC Clear Service for Interest Rate Swaps (IRS) by additional functions and services.

The details for the new release are as follows:

Release:	EurexOTC Clear Release 6.0
Start of simulation:	21 September 2015
Introduction date:	9 November 2015

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



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EurexOTC Clear for Interest Rate Swaps:
Introduction of EurexOTC Clear Release 6.0

With EurexOTC Clear Release 6.0, Eurex Clearing will extend its EurexOTC Clear Service for Interest Rate Swaps (IRS) by additional functions and services.

The details for the new release are as follows:

Release:	EurexOTC Clear Release 6.0
Start of simulation:	21 September 2015
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Please note that the functions and services introduced with this release will have an impact on interfaces and reports of Eurex Clearing. 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.

Functional changes and enhancements

Allow unlimited positions accounts (“flex accounts”) for Clearing Members and Registered Customers

The current EurexOTC Clear IRS account structure allows Members to differentiate between own trades and trades of their customers. With the flexible account structure, an unlimited number of position accounts can be set up. This flexible account structure can be used by customers such as fund managers.

The flexible account structure will be made available to all Member types and across all segregation models, i.e. for the Standard and Omnibus Elementary Clearing Model/Net Omnibus Clearing Model (Omnibus Segregated Account (OSA/MOSA)) as well as for the Individual Clearing Model (Individual Segregated Account (ISA)). For the naming convention of flexible accounts, customers can use account identifiers of their choice. It is, however, not allowed to use account names revealing information on undisclosed underlying customers (e.g. XYZ Bank, Brazil) of the Member.

MarkitWire Trade Division

A trade is currently stored as a single physical record in MarkitWire that is shared between the two counterparties. When the trade is cleared via a central counterparty (CCP), the trade remains a bilateral trade in MarkitWire. As a consequence, participants in the EurexOTC Clear IRS Service cannot easily reconcile their portfolios of cleared trades with their portfolios in MarkitWire in case a post trade event has been executed.

The Trade Division enhancement by MarkitWire separates the two trade records in MarkitWire once it has been novated by the clearing house. After novation, there are two Eurex Clearing trade IDs as well as two MarkitWire trade IDs. Hence, the post-novation trade records of MarkitWire and Eurex Clearing will be aligned and the srcSysTradeIDs will match the MarkitWire trade IDs. In addition, a new “preSrcSysTradeID” copies the MarkitWire ID of a previously terminated trade.

As a result of the MarkitWire enhancements, trades cleared with Eurex Clearing will always have a unique srcSysTradeID that identifies a corresponding trade record in MarkitWire, e.g. reflected as a new tag in the reports and FpML messages.

Please note that with EurexOTC Clear IRS Release 6.0, Eurex Clearing will only introduce the technical enhancements, which are reflected in the FpML messages and reports to support Trade Division. Activation of Trade Division on MarkitWire and at Eurex Clearing will take place at a later date and in close consultation with market participants. The timeline will be communicated separately.

In conjunction with the activation and during conversion (production/simulation), all post-novation trades will be populated with two new MarkitWire trade IDs. Members may reconcile their records between Eurex

Clearing and MarkitWire after updating their systems with the new IDs. Terminated trades in Eurex Clearing resulting from Post Trade Events (termination, netting, compression etc.) will be ignored by Eurex Clearing during the update process.

Decommissioning of the Post Trade Event De-clear

With the activation of Trade Division on MarkitWire, the Post Trade Event De-clear will be decommissioned as it will no longer be possible to re-activate the original Alpha trade if its status has moved to "Cancelled" in MarkitWire. Eurex Clearing will decommission the Post Trade Event De-clear with the activation of Trade Division on MarkitWire after roll-out of EurexOTC Clear Release 6.0 accordingly.

Trade Eligibility Enhancements

With EurexOTC Clear Release 6.0, a wide range of trade eligibility enhancements will be introduced. By means of this product extension, Clearing Members and their customers will be able to clear more non-standard trades. A detailed list of trade eligibility enhancements will be provided in the Functional Release Notes.

System Enhancements

Static/Reference Data

To allow setting of netting levels during the on-boarding phase, the field "Netting Level" (possible values 1, 2, 3) will be added to the admission form "Upload Sheet Flex Accounts". The "Upload Sheet Flex Accounts" will also be enhanced to support unlimited position accounts (Flexible Accounts) for both Clearing Members and Registered Customers.

Changes in the EurexOTC Clear GUI

A new drop-down menu item will be added to the advanced search function to extend the range of searchable product types.

Changes in FpML messages

- The DV01 information will be implemented in all EurexApiXML trade notification messages, for all trade workflow status, EurexOTC IRS products and currencies
- The eventProcessingID will be moved to "additionalTradeInformation" in trade notification messages
- As part of EMIR reporting requirements, each OTC derivative needs to be reported by means of a Unique Transaction Identifier (UTI). The issuer code in the UTI of EurexOTC Clear transactions will be changed to E02529900LN3S50JPU47S06, which is a combination of the ESMA method identifier (E02) and the Legal Entity Identifier of Eurex Clearing.

Report changes

In order to enhance transparency and clarity of the information regarding EurexOTC Clear which Eurex Clearing is providing to its Members, the following report changes will be made:

- The reports Hedge Portfolio Report (CC212), Cash Forecast Report (CD200/CD210), Risk Factor Report (CC202), Variation Margin Report (CC203/CC222) will be extended or changed
- A new report will be introduced to reflect correction payments (CD211 Settlement Adjustment Report). Please note that this report will only be distributed in case of a correction of PAI and coupon payments
- Rounding will be harmonised for VM reports
- Report field <rptPrntEffDat> will be harmonised to xs:dateTime
- Subsample SP VaR figures will be added to margin reports
- Changes on the UTI Issuer Code, as mentioned above, will also be reflected in the reports

- The reports Liquidity Table (CC220), Interest Rate Curves Report (CC210/CI210), Risk Factor Report (CC202/CI202) and Parameter File (CC221) will be moved from the private folder into the public folder of the Common Report Engine. A public version of the Hedge Portfolio Report (CC212) will be available in the public folder of the Common Report Engine.

Further minor changes in reports, editorial clarifications and adjustments of inconsistencies will be reflected and described in the document "EurexOTC Clear Report Manual Interest Rate Swaps (IRS)".

Above-mentioned functional and technical enhancements will be described in the document "EurexOTC Clear IRS Functional Release Notes" and respective functional and technical documents, which are updated accordingly. Sample reports, report schemas and documents are published according to the "EurexOTC Clear IRS Release 6.0 Information Schedule".

Overview of published documents and new structure within section Interest Rate Swaps

An overview of documents which will be updated in connection with the introduction of EurexOTC Clear Release 6.0 can be found in the document "EurexOTC Clear IRS Release 6.0 Information Schedule", which is attached to this circular. All documents can be downloaded as of the date stated in the Member Section of the Eurex Clearing website www.eurexclearing.com under the following path:

Member Section > Technology > EurexOTC Clear > Interest Rate Swaps > IRS Release 6.0

In order to facilitate the locating of documents, samples, report schemas and further information, the structure of the Member Section has been changed in the following way:

- The structure in the Member Section "**Technology > EurexOTC Clear > Interest Rate Swaps > IRS Release 6.0**" has been aligned with the structure of Eurex Clearing system documentation
- Within the respective release folder, only changed report schemas, sample reports, FpML schemas and FpML sample messages will be published
- All presently valid report schemas, sample reports, FpML schemas and FpML sample messages will be published in a new folder under the following path:

Member Section > Technology EurexOTC Clear > Interest Rate Swaps > Schemas, XSDs & Samples (Current Version).

Clean-up of simulation environment

In order to improve quality of the EurexOTC Clear simulation environment in advance of the upcoming Release 6.0 (21 September 2015 in simulation), Eurex Clearing will perform a structured clean-up of old trades in the simulation environment.

Therefore, all trades captured before Monday, 13 April 2015 (start of 5.1 Simulation) will no longer be available in the simulation environment. This process will be repeated with every major future release, which means that only trades captured since the deployment date of the current release version will be available in the simulation environment at any given time.

Please do not hesitate to contact Trading & Clearing Services at tel. +49-69-211-1 17 00 or e-mail memberservices@eurexclearing.com in case of any queries related to the above.

3 August 2015

Attachment to Eurex Clearing circular 088/15

EurexOTC Clear IRS Release 6.0 Information Schedule	Q III 2015			Q IV 2015		
	07/2015	08/2015	09/2015	10/2015	11/2015	12/2015
Release Announcement EurexOTC Clear Release 6.0		<input type="checkbox"/>				
EurexOTC Clear Functional Release Notes		<input type="checkbox"/>				
EurexOTC Clear IRS GUI User Guide		<input type="checkbox"/>				
Margin Calculator Trade Template Field Description		<input type="checkbox"/>				
Margin Calculator User Guide + Templates		<input type="checkbox"/>				
FpML Margin Calculator Interface XSD and Samples for Simulation		<input type="checkbox"/>				
FpML Margin Calculator Interface Specification		<input type="checkbox"/>				
FpML API XSD and Samples for Simulation		<input type="checkbox"/>				
FpML API Interface Documents		<input type="checkbox"/>				
EurexOTC IRS Report Manual		<input type="checkbox"/>				
EurexOTC Clear Sample Reports & XSD - Updated and New Reports		<input type="checkbox"/>				
EurexOTC Clear Simulation Guide		<input type="checkbox"/>				
Start of IRS Release 6.0 Simulation			21/09/2015			
EurexOTC Clear Product List			<input type="checkbox"/>			
EurexOTC Clear IRS Procedures Manual			<input type="checkbox"/>			
EurexOTC Clear Risk Methodology Description - Programming Version			<input type="checkbox"/>			
FpML Margin Calculator Interface XSD and Samples for Production			<input type="checkbox"/>			
FpML API XSD and Samples for Production			<input type="checkbox"/>			
Clearing Conditions & Production Announcement				<input type="checkbox"/>		
Start of EurexOTC Clear IRS Release 6.0					09/11/2015	