clear to trade

eurex clearing
circular 065/16

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EurexOTC Clear for IRS Release 6.1: Production launch announcement

Related Eurex Clearing circular: 019/16

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

Summary:

In connection with the introduction of EurexOTC Clear for IRS Release 6.1, Eurex Clearing has updated several documents to provide further information regarding the Release 6.1, which will start in production on **13 June 2016.**

For a description of the changes introduced with EurexOTC Clear for IRS Release 6.1, please refer to Eurex Clearing circular 019/16 and to the Functional Release Notes. Please consider some changes in the release scope which were not initially mentioned in the release announcement.

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

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The following overview contains essential information regarding the documents which were published in the Eurex Clearing Member Section of the Eurex Clearing website www.eurexclearing.com:

Functional documents published	
Action	**Document name/path**
Release update	EurexOTC Clear Procedures Manual
Release update	EurexOTC Clear Product List Rel. 6.1
Release update	EurexOTC Clear Product List Rel. 6.1: Product Scope Bloomberg
Technology > Interest Rate Swaps >IRS Release 6.1 > Overview and Functionality	

As announced in Eurex Clearing circular 019/16, Eurex Clearing will extend its EurexOTC Clear for IRS Service with Release 6.1 by introducing the following changes:

Functional changes

- Bulk Backloading Processing timing changes:
  - The preliminary backloading batch will be brought forward from its current time of 17:00 (CET) to 15:00 (CET).
  - Incremental risk check and backloading novation batch will be brought forward from its current time of 21:00 (CET) to 17:00 (CET).
- A8 Account will be available as additional standard agent account.
- 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.

Report enhancements

- A new Static Data Report (CD298) will be introduced for the purpose of informing Members about their setup and changes made to their static data setup at Eurex Clearing.
- Inflation fixings present in the Inflation Curve for the valuation date will be included in the Interest Rate Curve Report CI210/CC210 and Risk Factor Report CI202/CC202.
- In the Cash Flow Reports (CD200, CD210) 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.
- The field <MtM-2_exCF> will be added to the Variation Margin Report (CC203/CC222), as a result of

the change in the calculation of PAI.
- Introduction of a new member role to identify members using the new ISA Direct service.

Product changes

- Changes to eligibility criteria for trades with upfront fees.

System changes

- Clearing Broker users will be able to see the counterparty in the EurexOTC Clear GUI if the Clearing Broker is also the Executing Broker of the trade.
- Relaxation of internal trade ID validation.

Preparations for the production

Please note that the functions and services introduced with this release will have an impact on reports of Eurex Clearing. In order to be prepared for the start of production, please update your systems report processing with the reports XSDs which will be valid as of 13 June 2016.

Please note: After the batch processing on Friday, 10 June 2016 reports will be created based on EurexOTC Clear for IRS Release 6.0 formats. Intraday and End of Day reports that are created from Monday, 13 June 2016 start of business will be created based on EurexOTC Clear for IRS Release 6.1 formats.

A set of changed XSDs has been made available for download in the Eurex Clearing Member Section on the Eurex Clearing website www.eurexclearing.com under the following path:

Technology > EurexOTC Clear > Interest Rate Swaps > IRS Release 6.1 > EurexOTC Clear Reports > EurexOTC Clear Sample Reports & XSD - Updated and New Reports

With start of the release 6.1 a complete set of all valid XSDs will be made available for download in the Eurex Clearing Member Section on the Eurex Clearing website www.eurexclearing.com under the following path

Technology > EurexOTC Clear > Interest Rate Swaps > Network Access

Please use the simulation and test the newly introduced functionality and confirm your readiness no later than **10 June 2016** by using the “Readiness Statement for EurexOTC Clear Release 6.1”, which is available for download in the Eurex Clearing Member Section on the Eurex Clearing website under the following path:

Technology > EurexOTC Clear > Interest Rate Swaps > IRS Release 6.1 > Overview and Functionality

If you have any questions or require additional information, please contact Group Client Services & Administration at tel. +49-69-211-1 17 00 or memberservices@eurexclearing.com.

For any EurexOTC Clear IRS functional support, please contact the EurexOTC Clear Hotline at tel. +49-69-211-1 28 28 or send an e-mail to OTCClear@eurexclearing.com.

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