clear to trade

eurex clearing *circular 020/16*

Date: 15 February 2016
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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Eurex Clearing Prisma: Roadmap 2016

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Content may be most important for:

- Middle + Backoffice
- IT/System Administration
- Auditing/Security Coordination

Attachments:

none

Summary:

With this circular, Eurex Clearing provides information on the introduction of the mandatory Eurex Clearing Prisma release 5.0, further product migrations and the decommissioning of the Risk-based Margining (RBM) methodology for all exchange-traded derivatives (ETDs). The timeline for the introductions is as follows:

Release 5.0 introduction:	**November 2016**
Remaining ETD product migrations:	**November 2016**
RBM decommissioning for ETDs:	**December 2016**

Detailed information on the release 5.0 simulation period, the release introduction and product migrations as well as the decommissioning of the RBM methodology for all ETDs will be provided in due course via separate Eurex Clearing circulars. The remaining products on RBM after the introduction of Release 5.0 (equities, bonds, repos, and lending) will be migrated to Eurex Clearing Prisma in 2017.

Eurex Clearing Prisma: Roadmap 2016

With this circular, Eurex Clearing provides information on the introduction of the mandatory Eurex Clearing Prisma release 5.0, further product migrations and the decommissioning of the Risk-based Margining (RBM) methodology for all exchange-traded derivatives (ETDs). The remaining products on RBM after Release 5.0 (equities, bonds, repos, and lending) will be migrated to Eurex Clearing Prisma in 2017.

Introduction of the mandatory release and product migrations

Eurex Clearing Prisma release 5.0 is scheduled to go live in November 2016 and will migrate the remaining derivative products (VSTOXX® derivatives, variance futures and dividend derivatives) from RBM to Eurex Clearing Prisma. For this migration, mandatory changes need to be implemented to the methodology and Transparency Enabler (TE) files. In order to allow sufficient testing time for Members and Independent Software Vendors (ISVs), the simulation period is scheduled to run from the third quarter of 2016 until the release 5.0 introduction. Detailed information on the release 5.0 introduction and mandatory changes will be published in due course in the Member Section on the Eurex Clearing website www.eurexclearing.com under the following path:

Member Section > Risk & Collateral Management > Eurex Clearing Prisma > Documents & Circulars > Documents Release 5.0

It is expected that the remaining derivatives will be assigned to the already existing and mandatory Liquidation Group PEQ01 for listed equity derivatives and listed equity index derivatives. Consequently, there will be no transition period for these products where RBM and Prisma run in parallel.

Migration timeline for mandatory Liquidation Groups

Since 18 December 2015[1], the following Liquidation Groups are mandatory under Eurex Clearing Prisma:

- PEQ01 – listed equity derivatives and listed equity index derivatives
- PFI01 – listed fixed income and money market products
- PCM01 – listed commodity (index) derivatives
- PPM01 – precious metal derivatives

Currently, the following Liquidation Groups are still non-mandatory under Eurex Clearing Prisma:

- PAC01 – Asia cooperation products KOSPI/TAIFEX derivatives
- PPR01 – Property derivatives
- PFX01 – FX derivatives

These Liquidation Groups will become mandatory at the end of the second quarter of 2016 and must be migrated to Eurex Clearing Prisma by 30 June 2016 latest. Please note that migration of these Liquidation Groups to Prisma is mandatory, even if a Member currently has no active positions in the products assigned to those Liquidation Groups.

A full list of all Prisma-eligible products is available and updated on a daily basis on the Eurex Clearing website under the following link:

Risk management > Risk parameters > Liquidation Groups

[1] See Eurex Clearing circular 100/15

Decommissioning of the RBM methodology for ETDs

Following the migration of the remaining derivatives in November 2016, Eurex Clearing will decommission the RBM methodology for ETDs at the end of the year 2016. From then on, Eurex Clearing Prisma will be the sole margin methodology used for all ETDs cleared at Eurex Clearing.

Until the final decommissioning of the RBM methodology for derivatives, Eurex Clearing will continue to provide complete data records in the RBM Theoretical Price files for all ETDs, both on the Common Report Engine (CRE) and on the Eurex Clearing website.

If you have any questions, please contact Stefan Krause, Trading & Clearing Services at tel. +49-69-211-1 96 10 or e-mail: stefan.krause@eurexclearing.com or Alexander Rose, Clearing Business Development at tel. +49-69-211-1 49 75 or e-mail: alexander.rose@eurexclearing.com.

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