

## Eurex Clearing Circular 065/18

# EurexOTC Clear Release 9.0: Announcement and service enhancements to be introduced

### Summary

With this circular, Eurex Clearing announces the introduction of service enhancements with EurexOTC Clear Release 9.0 on **3 December 2018**.

The timeline for the new release and the introduction of services is as follows:

**Start of simulation:** 17 October 2018

**Introduction date:** 3 December 2018

All functional changes will be reflected in the upcoming release documents, which will be published according to the attached “EurexOTC Clear – Communication Calendar”. The Communication Calendar is also available on the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com) in the Member Section under the following path:

#### Technology > EurexOTC Clear > System Documentation

Please note that the functions and services introduced might have an impact on Clearing Members’ internal processes. Therefore, it might be necessary for Clearing Members to update their internal processes and interfaces. In case of cooperation with back office vendors, Clearing Members should contact their third-party providers as soon as possible to ensure that the necessary adjustments can be made.

This circular contains a high level description of the changes and enhancements which will be introduced. For a detailed description of the changes, please refer to the technical documentation.

#### Attachment:

- EurexOTC Clear – Communication Calendar

**Date:** 13 July 2018

#### Recipients:

All EurexOTC Clear Clearing Members and Registered Customers of Eurex Clearing AG and Vendors

#### Authorized by:

Thomas Laux

#### Target group:

- All departments

#### Contact:

Group Client Key Account Management  
Clearing,  
[otcrelease@eurexclearing.com](mailto:otcrelease@eurexclearing.com)



## EurexOTC Clear Release 9.0: Announcement and service enhancements to be introduced

### 1. Functional and technical changes for all products

As part of EurexOTC Clear Release 9.0, it is planned to expand the EurexOTC Clear Service for all products with the following functions:

- i. The EurexOTC Clear GUI will be enhanced with an additional field for the internal trade ID. Thereby, Clearing Members will be able to see and maintain the "Internal RC Trade Id" for Registered Customers and the "Internal CB Trade Id" for Clearing Brokers (for Registered Customers, the column „Internal CB Trade Id“ will be empty).
- ii. The netting criteria for Variable Notional Swaps (VNS) will be relaxed: By softening the restriction, also non-VNS shall be netted with VNS, however only VNS with Netting Levels 1 and 2 qualify, as before.
- iii. The current novation buffer logic that covers all asset classes will be enhanced to include an OTC-specific component that cannot be consumed by changing margin requirements stemming from non-OTC business. In line with the current process, the novation buffer will be set by Eurex Clearing at its sole discretion. Clearing Members may request the OTC-specific novation buffer to be changed (e.g. to be set to zero on account level), but any such change will be subject to Eurex Clearing's prior approval.
- iv. As announced by the European Money Markets Institute (EMMI), the Euribor<sup>®</sup> Fixings 2W, 2M, 9M will be decommissioned this year. Further information and the timeline will be announced via a separate Eurex Clearing circular.

These changes are relevant for EurexOTC IRS Members and OTC Currency Product Members.

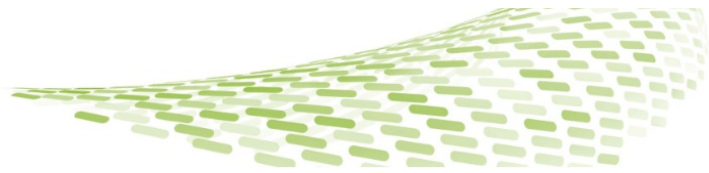
Please also consider that Eurex Clearing will move payment services to the C7 architecture to reduce infrastructure complexity. This migration will have an impact on cash reports provided to Eurex Clearing's clients. The existing report CD010 will be replaced with the new CD710 reports which will be made available in three formats: print version, xml and csv. Further details will be communicated via separate Eurex Clearing circulars regarding the C7 clearing system.

### 2. Service enhancements and technical changes for OTC FX and OTC XCCY swap products

Eurex Clearing already implemented relevant changes to support client clearing for OTC currency products with EurexOTC Clear Release 8.1. With EurexOTC Clear Release 9.0 and subject to regulatory approval, it is planned to introduce client clearing services. The related Clearing Member documentation will be updated accordingly.

Furthermore, Eurex Clearing is planning to expand the OTC Currency Products service with the following functions:

- i. The field "Max.NettingLevelFX", which is visible and maintained in the OTC GUI and reported in the Static Data Report (CD298), will be renamed to "Max.NettingLevelXCCY". Please note that this parameter is only applicable for OTC XCCY netting, but not for OTC FX netting.
- ii. In the CC204 Overall Margin Report, the Liquidity Adjustment (LA) component of the Liquidation Group "PFX01" will be broken down to LAs per currency pairs (EUR/USD, GBP/USD), as is done for IRS products. This change will have an impact on the structure of reports CC204 and CC208.



### 3. New publication logic for OTC functional and technical documentation

To facilitate access to documentation for participants, Eurex Clearing decided to redesign the structure of the EurexOTC Clear area in the Member Section on the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com).

As of the dates mentioned in the Communication Calendar, the relevant OTC documentation, XSDs and samples will be available in the Member Section under the following path:

#### **Technology > EurexOTC Clear > System Documentation**

Documents will be divided into the categories “Overview”, “Functional Documents & Guides”, “Interfaces” and “Reports”. All relevant and valid documents (resp. the complete set of OTC documentation, XSDs and samples) will be located in the subfolder “Production”, documents updated for an upcoming release will be located in the subfolder “Simulation” and marked with “valid as of”. The complete set of XSDs and samples (Reports and FpML messages) will contain an overview that allows participants to identify and reproduce the changes.

The previous structure/documents for EurexOTC Releases 1.0 – 8.1 will be available until further notice.

### 4. Preparatory actions

In preparation of the release, please nominate a project coordinator responsible for EurexOTC releases and add the contact details in the Member Section of the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com) under the path:

#### **Member Section > Contacts > Your internal contacts > Release Contacts**

Eurex Clearing uses the EurexOTC Clear simulation newsflash as a regular information channel in order to support your simulation and preparation activities for EurexOTC Clear releases. With the newsflash, Eurex Clearing informs about general simulation issues, simulation-specific behaviours, known limitations as well as any documentation updates (e.g. publication of functional and technical documents). In this context and if not already done, we kindly ask you to nominate a project coordinator responsible for EurexOTC releases.

If you have any questions or need further information, please contact Group Client Key Account Management Clearing by sending an e-mail to: [otcrelease@eurexclearing.com](mailto:otcrelease@eurexclearing.com).

13 July 2018

