clear to trade

eurex clearing *circular 063/16*

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Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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Eurex Clearing Prisma: Introduction of mandatory release 5.0

Related Eurex Clearing circular: 020/16

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Content may be most important for:

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

Attachment:

Only available in the Member Section on the Eurex Clearing website:

Release Notes

Summary:

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

Start of release 5.0 simulation:	**15 August 2016**
Introduction of release 5.0:	**21 November 2016**
Migration of remaining derivatives:	**28 November 2016**
RBM decommissioning for all ETDs:	**End of 2016**

The simulation period for release 5.0 is scheduled from 15 August to 18 November 2016 and will allow Members and Independent Software Vendors to test mandatory changes and prepare for new product introductions. As a support, the document “Release Notes” has been published in the Member Section on the Eurex Clearing website www.eurexclearing.com.

Eurex Clearing Prisma: Introduction of mandatory release 5.0

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

Start of release 5.0 simulation:	**15 August 2016**
Introduction of release 5.0:	**21 November 2016**
Migration of remaining derivatives:	**28 November 2016**[1]
RBM decommissioning for all ETDs:	**End of 2016**

Eurex Clearing Prisma release 5.0 is scheduled to go live on 21 November 2016. The remaining derivative products will be migrated from RBM to Eurex Clearing Prisma on 28 November 2016[1]:

- VSTOXX® derivatives
- Variance futures
- Dividend derivatives

For the introduction of release 5.0, mandatory changes need to be implemented to the functionality, the Transparency Enabler (TE) files and the reports. 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.

In order to allow sufficient testing time for Members and Independent Software Vendors to implement mandatory changes and prepare for the product migrations, the simulation period is scheduled to run from 15 August to 18 November 2016. For preparation of the introduction of release 5.0, the document “Release Notes” has been published for download in the Member Section on the Eurex Clearing website under the following path:

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

In early June 2016 and under the same path, Eurex Clearing will publish updated versions of the following documents:

- Eurex Clearing Prisma – User Guide Methodology Description
- Eurex Clearing Prisma – Report Reference Manual

In mid-July 2016, an updated version of the Eurex Clearing Prisma – Member Simulation Guide will be available.

[1] Subject to regulatory approval

Migration timeline for mandatory Liquidation Groups

Since 18 December 2015[2], 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 and OTC interest rate and inflation swaps
- PCM01 – listed commodity (index) derivatives
- PPM01 – listed precious metal derivatives

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

- PAC01 – listed Asia cooperation products (i.e. KOSPI/TAIFEX derivatives)
- PPR01 – listed property derivatives
- PFX01 – listed 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 at the 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.

Availability of a list of non-eligible products for Prisma

Besides the list of all Prisma-eligible products, Eurex Clearing newly provides a list of all non-eligible products for Prisma on the Eurex Clearing website. Both lists are updated on a daily basis and are available for download under the following links:

Risk management > Risk parameters > Liquidation Groups

Risk management > Risk parameters > Prisma Non Eligible Products

Decommissioning of the RBM methodology for ETDs

Following the migration of the remaining derivatives on 28 November 2016[3], Eurex Clearing will decommission the RBM methodology for ETDs at the end of 2016. From then on, Eurex Clearing Prisma will be the sole margin methodology used for all ETDs cleared by 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, Client Services Clearing at tel. +49-69-211-1 96 10 or e-mail: stefan.krause@eurexclearing.com or Alexander Rose, Business Development at tel. +49-69-211-1 49 75 or e-mail: alexander.rose@eurexclearing.com.

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[2] See Eurex Clearing circular 100/15

[3] Subject to regulatory approval