clear to trade

eurex clearing *circular 024/16*

Date: 17 February 2016
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Thomas Laux

EurexOTC Clear: Introduction of Bloomberg Global Ltd. as Approved Trade Source

Contact: Trading & Clearing Services, T +49-69-211-1 17 00, memberservices@eurexclearing.com

Content may be most important for:	**Attachment:**
➲ All departments	EurexOTC Clear Member Guide Approved Trade Source: Bloomberg

Summary:

Eurex Clearing is pleased to announce the introduction of Bloomberg Global Ltd. (Bloomberg) as additional Approved Trade Source (ATS) for the EurexOTC Clear IRS service. Bloomberg has been available in simulation since 11 February 2016 and will be available in production as of **29 February 2016**.

Please forward this announcement to all involved departments within your company.

EurexOTC Clear:
Introduction of Bloomberg Global Ltd. as Approved Trade Source

For trade registration of OTC IRS products, Eurex Clearing uses the functionality and infrastructure of "Approved Trade Sources" (ATS).

Eurex Clearing is pleased to announce that as of 29 February 2016 EurexOTC Clear IRS Members can use Bloomberg Global Ltd. (Bloomberg) to submit OTC trades directly for clearing to Eurex Clearing into the production environment. Using Bloomberg as ATS in simulation has been possible since 11 February 2016.

The introduction of Bloomberg as ATS has no impact on the FpML Interface or on the structure of reports. Only the identifier of Bloomberg as ATS and the Global LE ID of the customer will be shown in the respective fields.

Trade submission and novation process

Bloomberg offers two trade capture methods: Voice Trading (SWXT) and Electronic Trading (BBTI/ALLQ). Please refer to the EurexOTC Clear Member Guide "Approved Trade Source: Bloomberg" for further information regarding the trade capture methods.

The counterparties of a trade which use Bloomberg as ATS negotiate the price and other trade details that are then submitted to Eurex Clearing. Bloomberg submits the trade via the Eurex Clearing Trade Entry API to Eurex Clearing and a trade acknowledgment message is sent back to Bloomberg. After successful eligibility and incremental risk checks the trade is novated. A broadcast message is sent to the involved parties.

The novation process is identical for all ATS, meaning that once the trade is submitted for clearing and subsequently novated, Eurex Clearing becomes the "golden source" of the trade. Once the trade has been cleared it is visible on Bloomberg's blotter functionality (BLOT <GO>) as "Cleared". Currently Bloomberg only supports the "Trade Entry" functionality. Trades from different ATS can be accumulated/netted.

A description of the processes Bloomberg will apply in the function of ATS can be found in the Member Guide "Approved Trade Source: Bloomberg". This document is attached and is also available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Cleared markets > EurexOTC Clear > Bloomberg ATS Member Guide for EurexOTC Clear IRS

Participants and account structure

Bloomberg supports interdealer trades and client trades. In an interdealer trade, both trade participants are Clearing Members at Eurex Clearing. If a trade is a client trade, one participant is a Clearing Member and the other participant is either a Registered Customer or a Fund Manager at Eurex Clearing. A Client Clearing trade that involves a Clearing Member against a Registered Customer/Fund Manager is booked into an account specified at Bloomberg, whereas an interdealer trade involving two Clearing Members is booked into the proprietary account (P-account) of the Clearing Member. The following counterparty trading combinations are provided:

Dealer/Price maker		Client/Price taker		
Party 1		Party 2		
Eurex Clearing role	Account type	Eurex Clearing role	Account type	
Clearing Member	P	Clearing Member	P	Interdealer Trade
Clearing Member	P	Registered Customer	P	Client Clearing Trade
Clearing Member	P	Registered Customer	A	
Clearing Member	A	Registered Customer	P	
Clearing Member	A	Registered Customer	A	
Clearing Member	P	Fund Manager	Flex acct	
Clearing Member	A	Fund Manager	Flex acct	

Account types: P = Proprietary account, A = Agent account, Flex acct = Fund position account

Note: The accounts must be set up at Bloomberg and must match with those in Eurex Clearing.

Product scope

The scope of products and currencies supported by Bloomberg's two trade capture methods is summarised in the table below:

	Products	Currencies
Voice Trading (SWXT)	• IRS, Basis Swap • OIS	EUR, GBP, USD, CHF, JPY EUR, GBP, USD, CHF
Electronic Trading (BBTI/ALLQ)	• IRS • Basis Swap	EUR, GBP, USD, CHF, JPY USD

For further information on the supported products, please refer to the respective information and documentation channels of Bloomberg. The updated EurexOTC IRS Product List will be available in the Eurex Clearing Member Section under the following path:

Member Section > Technology > EurexOTC Clear > Interest Rate Swaps > IRS Release 6.0 > Overview and Functionality > EurexOTC Clear IRS Product List Rel. 6.0

Preparations necessary to use Bloomberg as an Approved Trade Source

Before the start of trading via Bloomberg and clearing Interest Rate Swap products in production, existing Clearing Members/Dealers and Registered Customers/Clients are asked to first get in contact with their Relationship Managers at Bloomberg. At Eurex Clearing, the Members can apply for the set-up of Bloomberg as ATS via the below-mentioned forms:

- The set-up/onboarding of a new client as a **Registered Customer** using Bloomberg as ATS can be done by the Clearing Member via the "Registered Customer Admission Tool" (available in the Eurex Clearing Member Section under the path: Admissions & User IDs > Company Admission). Particularly the following details need to be specified: Approved Trade Source, Global LE ID, any target accounts (e.g. A1- or P-account, Flexible account for Fund Managers) to be used for booking of trades and the Global LE ID of the Clearing Member. If applicable, for set-up of Flexible accounts (where the Fund Manager acts on behalf of the fund), please fill in the respective information for each fund (e.g. Global LE ID, position account).
- For the set-up at Bloomberg, please use the "BLOOMBERG CLEARING CHANNEL ONBOARDING FORM", which can be obtained from your Relationship Manager at Bloomberg.
- For the set-up of Bloomberg as ATS for a **Clearing Member**, the form "EurexOTC Clear Interest Rate Derivative Static Data Form for Clearing Member (Production)" can be used. The following details need to be specified: Approved Trade Source, Global LE ID (and the preferred source system[1] if the Clearing Member uses more than one source system) and the target account (e.g. A1-, P-account) the Clearing Member wishes to use for booking the trades.
- For the set-up at Bloomberg, please get in contact with your Relationship Manager at Bloomberg.
- Please send the Eurex Clearing form(s) to otcirs.onboarding@eurexclearing.com and the "BLOOMBERG CLEARING CHANNEL ONBOARDING FORM" to ccponboard@bloomberg.net.
- Once the set-up is complete, Bloomberg and Eurex Clearing will provide a confirmation that the respective account mappings are in place and the account is ready for testing.

The EurexOTC Clear Onboarding team and your personal Key Account Manager are pleased to support you with the set-up.

The above-mentioned forms as well as complete admission packages for onboarding are available on the Eurex Clearing website www.eurexclearing.com under the following path:

Resources > Forms > EurexOTC Clear > Interest Rate Swaps

Admitted Clearing Members or Registered Customers for OTC IRS are listed with their Approved Trade Source Identifier (i.e. Global LE ID) on the Eurex Clearing website under the following path:

Resources > Clearing contacts

Simulation

Bloomberg has been available in simulation since 11 February 2016. For the set-up in simulation, please use the "EurexOTC Clear Interest Rate Derivative Static Data Form (Simulation)" including the above-mentioned master data (Global LE ID, target account, Eurex Clearing Member IDs) and, in case of a fund set-up, the "Upload Sheet Flex Accounts". Please also inform your Relationship Manager at Bloomberg to request set-up with Eurex Clearing. Please send the form to your Eurex Clearing Key Account Manager or to the e-mail: otcirs.onboarding@eurexclearing.com.

[1] The preferred source system indicates to which system the messages should be sent.

Supporting teams and hotlines

Eurex Clearing assigns a dedicated Key Account Manager guiding each Member through the onboarding and admission process. Subject matter experts support this process whenever necessary.

For direct support the following hotlines at Eurex Clearing and Bloomberg are available:

Eurex Clearing Admission & Onboarding Support		
Team:	Eurex Clearing Member Services & Admission & EurexOTC Clear Onboarding	
Telephone:	+49-69-211-1 17 00	
Fax:	+49-69-211-1 17 01	
E-mail:	memberservices@eurexchange.com, otcirs.onboarding@eurexclearing.com	
Eurex Clearing Functional Support		
Team:	EurexOTC Clear Hotline (Simulation)	EurexOTC Clear Hotline (Production)
Telephone:	+49-69-211-1 25 25	+49-69-211-1 28 28
Fax:	+49-69-211-61 25 25	+49-69-211-61 28 28
E-mail:	OTCClear.simulation@eurexclearing.com	OTCClear@eurexclearing.com
Bloomberg – Customer Support		
Europe:	+44 20 7330 7550	
U.S.:	+1 212 318-2000	
Asia:	+65 6212 1000	
Website:	http://www.bloomberg.com/professional/systems-support/customer-support	

17 February 2016