clear to trade

eurex clearing *circular 060/16*

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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: Reduction of the risk horizon for Equity Liquidation Group PEQ01

Related Eurex Clearing circulars: 086/15, 092/15

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

Summary:

With this circular Eurex Clearing provides information about the reduction of the risk horizon for listed equity derivatives and listed equity index derivatives assigned to Liquidation Group PEQ01. Eurex Clearing will reduce the risk horizon from four to three days. The introduction of the reduced risk horizon in production is scheduled for **13 June 2016.**

In order to provide Clearing Members and Independent Software Vendors with sufficient time to test support of multiple holding periods, Eurex Clearing reduced the risk horizon in simulation for Liquidation Group PEQ01 already in May 2015.

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Eurex Clearing Prisma: Reduction of the risk horizon for Equity Liquidation Group PEQ01

With this circular Eurex Clearing provides information about the reduction of the risk horizon for listed equity derivatives and listed equity index derivatives assigned to Liquidation Group PEQ01. Eurex Clearing will reduce the risk horizon from four to three days. The introduction of the reduced risk horizon in production is scheduled for 13 June 2016.

Given that Liquidation Group PEQ01 has been in use for more than three years in production, and based on measured improvements in risk and default management processes, Eurex Clearing decided to reduce the respective risk horizon from four to three days. This decision has been made in close cooperation with market participants and after consultation with the Risk Committee and regulators.

In order to provide Clearing Members and Independent Software Vendors (ISVs) with sufficient time to test support of multiple holding periods, Eurex Clearing reduced the risk horizon to three days in simulation for Liquidation Group PEQ01 already in May 2015. The four days' risk horizon in simulation for Liquidation Group PEQ02 will stay unchanged at least until the reduction of the risk horizon for Liquidation Group PEQ01 in production, in order to allow Clearing Members and ISVs to also test the current productive setup.

Transition to the new risk horizon in production

In production, the risk horizon for listed equity and listed equity index derivatives assigned to Liquidation Group PEQ01 will be reduced from four to three days after the end-of-day batch run on Friday 10 June 2016. As a result of the change, there may be a delayed provision of the Transparency Enabler (TE) files which will be provided with the start-of-day batch run on 11 June 2016. Provision of the TE files with the end-of-day batch run on 10 June 2016 will not be affected. The reduced risk horizon will be effective with the start of trading on Monday, 13 June 2016.

Lists of Prisma-eligible products and non-eligible products available

On the Eurex Clearing website www.eurexclearing.com, Eurex Clearing provides lists of all Prisma-eligible and Prisma non-eligible products for download under the following links:

Risk management > Risk parameters > Liquidation Groups

Risk management > Risk parameters > Prisma Non Eligible Products

Both lists are updated on a daily basis.

If you have any questions, please contact Risk Control at tel. +49-69-211-1 24 52 or risk@eurexclearing.com.

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