



## eurex clearing circular 086/15

**Date:** 29 July 2015  
**Recipients:** All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors  
**Authorized by:** Heike Eckert

### **Eurex Clearing Prisma: Introduction of new products and parameters change for listed equity and equity index derivatives**

**Related Eurex Clearing Circulares:** 136/14, 155/14, 170/14, 039/15

**Contact:** Stefan Krause, Trading & Clearing Services, T +49-69-211-1 96 10, [stefan.krause@eurexclearing.com](mailto:stefan.krause@eurexclearing.com); Alexander Rose, Clearing Business Development, T +49-69-211-1 49 75, [alexander.rose@eurexclearing.com](mailto:alexander.rose@eurexclearing.com)

**Content may be most important for:**

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

**Related document:**

Only available in the Member Section on the Eurex Clearing website:  
 Eurex Clearing Prisma - Member Simulation Guide

**Summary:**

With this circular Eurex Clearing provides detailed information on the introduction of further products in Eurex Clearing Prisma and the risk horizon change for listed equity and equity index derivatives assigned to Liquidation Group PEQ01.

The respective introduction timeline is scheduled as follows:

Introduction of new products in simulation:	<b>15 July 2015</b>
Introduction of new products in production:	<b>31 August 2015</b>
Risk horizon change in simulation:	<b>28 July 2015</b>
Risk horizon change in production:	<b>17 August 2015</b>

The following derivatives will be made eligible for Eurex Clearing Prisma:

- Exchange Traded Fund (ETF) derivatives assigned to the already existing Liquidation Group PEQ01
- Exchange Traded Commodity Index derivatives (futures only) assigned to new Liquidation Group PCM01
- Precious Metal derivatives assigned to new Liquidation Group PPM01.

**Eurex Clearing Prisma: Introduction of new products and parameters change for listed equity and equity index derivatives**

With this circular, Eurex Clearing provides detailed information on the introduction of further products in Eurex Clearing Prisma and the risk horizon change for listed equity and equity index derivatives assigned to the Liquidation Group PEQ01.

The respective introduction timeline is scheduled as follows:

Introduction of new products in simulation:	15 July 2015
Introduction of new products in production:	31 August 2015
Risk horizon change in simulation:	28 July 2015
Risk horizon change in production:	17 August 2015

The following derivatives will be made eligible for Eurex Clearing Prisma:

- Exchange Traded Fund (ETF) derivatives assigned to the already existing Liquidation Group PEQ01
- Exchange Traded Commodity Index derivatives (futures only) assigned to new Liquidation Group PCM01
- Precious Metal derivatives assigned to new Liquidation Group PPM01.

**Introduction of new products**

The new products and Liquidation Groups are already available for testing in simulation. To support this, an updated version of the document "Eurex Clearing Prisma Member Simulation Guide Release 3.0" has been published in the Member Section on the Eurex Clearing website [www.eurexclearing.com](http://www.eurexclearing.com) under the following path:

**Member Section > Risk & Collateral Management > Documents & Circulars > Documents Release 3.0**

Please note that Exchange Traded Fund (ETF) derivatives will be assigned to the already existing Liquidation Group for listed equity and equity index derivatives (PEQ01) in production. Consequently, all positions in ETF derivatives will be margined under Eurex Clearing Prisma for all Members who have already migrated PEQ01 to Prisma from 31 August 2015 onwards.

Liquidation Groups PCM01 for Exchange Traded Commodity Index derivatives and PPM01 for Precious Metal derivatives need to be migrated to Prisma via the Eurex Clearing Prisma Migration Tool. The tool is accessible via the Member Section on the Eurex Clearing website under the following the path:

**Member Section > Clearing Resources > Eurex Clearing Prisma > Migration Tool**

A detailed description of the migration to Eurex Clearing Prisma can be found in the document "Eurex Clearing Prisma Migration Tool User Guide" which is available for download in the Member Section of the Eurex Clearing website under the path:

**Member Section > Risk & Collateral Management > Documents & Circulars > Documents Release 3.0**

Even in cases, where Clearing Members have already migrated Liquidation Groups to Eurex Clearing Prisma, settings for all future Liquidation Groups are not set automatically. Therefore, we strongly advise that each Clearing Member validates the settings by means of the Eurex Clearing Prisma Migration Tool.

To assist and facilitate individual migration processes to Eurex Clearing Prisma, Eurex Clearing provides all Members who have not yet migrated individual accounts to Prisma with a parallel report service (hypothetical margin reports). These reports are produced under the assumption that a Clearing Member migrates all positions of all Liquidation Groups which are already available under the margin methodology to Eurex Clearing Prisma.

Detailed information regarding the hypothetical margin reports can be found in the document “Eurex Clearing Prisma Customer Roadmap” available for download in the Member Section of the Eurex Clearing website under the path:

**Member Section > Risk & Collateral Management > Documents & Circulars > Documents Release 3.0**

The following additional derivatives will be made eligible for Eurex Clearing Prisma in November/December 2015 after the introduction of release 4.0 on 9 November 2015:

- Exchange Traded Commodity Index derivatives (options)
- FX derivatives
- Asia cooperation products (KOSPI/TAIFEX derivatives)
- Property derivatives

### **Risk horizon change for Liquidation Group PEQ01**

Now that the Liquidation Group for listed equity and equity index derivatives (PEQ01) has been in use for more than two years in production, and based on measured improvements in risk and default management processes, Eurex Clearing decided in close collaboration with market participants and after consultation of the Risk Committee to reduce the respective risk horizon from four days to three days.

In order to give Members and Independent Software Vendors (ISVs) the opportunity to test support for multiple holding periods, Eurex Clearing already reduced the risk horizon in simulation for PEQ02 on 5 May 2015. Implementation of the risk horizon change for PEQ01 in simulation has taken place on 28 July 2015.

In production, the risk horizon for listed equity and equity index derivatives assigned to Liquidation Group PEQ01 will be reduced from four days to three days after the end-of-day batch run on 14 August 2015. 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 on 15 August 2015. The TE files provided with the end-of-day batch run will not be affected. The reduced risk horizon will be effective with the start of trading on 17 August 2015.

### **Decommissioning of Risk-based Margining (RBM) for exchange-traded derivatives (ETDs)**

From 18 December 2015 onwards it will be **mandatory** for all Clearing Members to use Eurex Clearing Prisma as margin methodology for all ETDs assigned to Liquidation Groups, as RBM will no longer be supported for these products.

Therefore, Eurex Clearing recommends that all Clearing Members and customers who are still using RBM plan for an early migration to allow for a smooth transition to Eurex Clearing Prisma.

With the decommissioning of RBM, Eurex Clearing will also stop providing data records in the Theoretical Price files for all ETDs assigned to a Liquidation Group in Eurex Clearing Prisma, both on the Common Report Engine (CRE) and on the Eurex Clearing website.

A full list of all Eurex Clearing 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**

**eurex clearing circular 086/15**

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](mailto: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](mailto:alexander.rose@eurexclearing.com).

29 July 2015