

Mandatory PIN Procedure for Trading on Behalf (ToB) and further inquiries

June 2020



Eurex Exchange / European Energy Exchange / Eurex Clearing / Eurex Repo

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Overview

Trading on Behalf - Initiative & Scope

- Currently, Exchange participants can **define how to authorise themselves when requesting a Trading on Behalf (ToB) service with Market Operations**, either by providing their active member ID / user ID or, alternatively, by **providing member ID / user ID / PIN combination**
- The difference in the level of security of both alternatives is significant, as the PIN alternative provides an **additional level of security that is directly associated to the individual person** that requires ToB
- Market Operations therefore intends to update the current ToB process by making the **member ID / user ID / PIN combination mandatory for ToB requests in order to increase operational security**
- **This implies respective amendments to the Exchange Rules of Eurex Deutschland**

Current versus Future Situation

Current Situation

- Upon a request of an Exchange participant, **Eurex Market Operations may delete/ add/ modify or mass delete orders and quotes on behalf**
- Currently, Exchange participants can **define how to authorise themselves**, either by providing their active trading user ID or, alternatively, by **providing trading user ID / PIN combination**. In those cases where a PIN is assigned to a trading user ID currently, **the user ID / PIN combination authentication is mandatory**.
- Effective since 3rd December 2018, Eurex has **streamlined the functional handling of ToB requests by consistently applying user level validation for each deletion request** irrespective of the user ID or user ID / PIN legitimation

Future Situation

- Eurex will further enhance the ToB authentication process such that the **trading user ID/PIN legitimation will become mandatory for all Eurex trading users** for ToB requests and information specific inquiries via phone implying that
 - (a.) All Eurex users will be required to have a dedicated PIN set up
 - (b.) The mandatory PIN procedure will apply to the following ToB and further inquiries:
 1. On-exchange on-behalf entries (order add / modify / delete / mass deletion)
 2. TES on-behalf entries (trade add / approve / modify / delete)
 3. Stop / Release User / Business Unit inquiries
 - (c.) Eurex Market Supervision will reject above outlined inquiries in case the member ID / user ID / PIN combination is not provided

Mandatory PIN Requests

Customer request	Potential Impact	Mandatory PIN required	No Mandatory PIN required	Rationale
On-exchange on-behalf entries (order add / modify / delete / mass deletion)	High	X		Authorization needed - Immediate impact on member position, order book and market. Erroneous entries will lead to negative market impact or claim risk in most cases.
Stop / Release User / Business Unit	High	X		Authorization needed - Immediate impact on ability to trade for User or Member. Orders are immediately deleted and member set to inactive.
TES on-behalf entries (trade add / approve / modify / delete)	Low	X		Authorization needed - No immediate market impact. Counterpart has to approve the trade. Trades can be entered or cancelled by MS without impact on other members and market, even on following days.
On-exchange order / trade check	Low		X	No impact on order book or market. There are requests from vendors without Trader ID / PIN who authenticate themselves by providing customer-specific order / trade details (e.g. order ID, customer reference etc.).
Mistrade Claim	Low		X	Authorization via PIN not needed since the mistrade claim requires detailed order and trade information to be processed.
TES trade status check	Low		X	Authorization via order ID. No market impact and therefore no claim risk.
TES Reversal	Low		X	Authorization via trade ID. No market impact. Trades can be entered or re-booked by MS without impact on other members and market, even on following days.

Milestones & Timeline

To
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- Currently, the Eurex User Entity Attribute *PINCode* is an optional four character code that can be set by the respective T7 admin user via the T7 Admin GUI and can be maintained by him/her for each user belonging to his/her business unit via the T7 “User Maintenance” GUI window. Changes to the *PINCode* can be applied on an intraday basis. There are no restrictions from Eurex side on how to specify the PIN.
- With launch of T7 Release 8.1, the *PINCode* will become mandatory for Eurex. Consequently, new Eurex users can only be set up with a dedicated *PINCode* immediately after the T7 Release 8.1 is launched. Changes in any user attribute will also require a PIN directly after the introduction of T7 Release 8.1. In addition, with T7 Release 8.1, the T7 “User Maintenance” GUI window will support the upload functionality in order to allow T7 admin users lean maintenance of the *PINCode*.
- Please note that Eurex users set up before T7 Release 8.1 are allowed to have no *PINCode* only until the mandatory PIN Procedure will be enforced by Eurex Market Supervision effective Monday, 03rd August 2020. In case a Eurex user has not set up a dedicated *PINCode* until the mandatory PIN Procedure enforcement takes place, Eurex will automatically assign a randomized *PINCode* to the Eurex users with missing *PINCode*. This automatic assignment will take place on Friday, 31th July 2020, after trading has ended. During this process, the “User Maintenance” GUI window will be locked so no other change can be applied. PINs that were set before will not be overwritten by this process.
- Eurex highly recommends that Exchange participants start as soon as possible (already before the launch of T7 Release 8.1) setting up a *PINCode* for their individual users via the T7 Admin User of the corresponding business unit and familiarizing with the new authentication. This has a special relevance for Exchange participants where traders or trader groups operate from remote locations or are active in the extended trading hours where user admins are not instantly approachable. Please note, once a *PINCode* is set today, the member ID / user ID / PIN combination becomes instantly mandatory for ToB.

Setup Details

T7 Trader GUI

Eures Trader Master Login

Please note:
You must be the registered owner of the Trader-ID that you use to log on.

Functional-Helpdesk Trading: +49 (0)69-211-11210

Please enter your master account user name.

Master User
ABCFRMFUZI1_GUI

Master Password
●●●●●●●●

Private Client Key Password

Login
Login Without Settings
Logout
Change Master Password
Close

Network Connection Settings
Info
PIN

Password Show PIN PIN

Application View Configuration Help

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Market
fesx

MC CPhase
Cont FESX JU
Cont FESX Se
Cont FESX D
Cont FESX M

Market
fdax

MC CPhase
Cont FDAX JU
Cont FDAX S
Cont FDAX D
Cont FDAX S
Cont FDAX S
Cont FDAX S

Eures Trader Master Login

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Functional-Helpdesk Trading: +49 (0)69-211-11210

Master User
GDBXSIMSIM_GUI

Master Password

Private Client Key Password

Login
Login Without Settings
Logout
Change Master Password
Close

Network Connection Settings
Info
PIN

Password Show PIN PIN

- Following steps need to be performed in order to see the PIN after log-in
 - Click on *Application* in menu (top left side) and choose *Login/Logout*
 - Type in *Password* and press *Show PIN* in the new window that popped up



Setup Details

T7 Admin GUI

User Maintenance																
* LoginName																
Id	BusinessUnit	Name	LoginName	Status	EffectiveStatus	Level	PINCode	Category	UserGroup	UserRiskGroup	MarkedForDeletion	IsUSLocated	IsProtected	MaxOrderValue	NegOnExchAssgn	NegTE5As
1913	GDBXX	EUREX	111111	GDBXX111111	ACTIVE	ACTIVE		SUPERVISOR	111					9999999999		
1914	GDBXX	EUREX	ACT001	GDBXXACT001	ACTIVE	ACTIVE		SUPERVISOR	ACT					9999999999		
1915	GDBXX	EUREX	ACT002	GDBXXACT002	ACTIVE	ACTIVE		SUPERVISOR	ACT					9999999999		
1916	GDBXX	EUREX	ACT003	GDBXXACT003	ACTIVE	ACTIVE		SUPERVISOR	ACT					9999999999		
1917	GDBXX	EUREX	FEEDER	GDBXXFEEDER	ACTIVE	ACTIVE		SUPERVISOR	FEE					9999999999		
1920	GDBXX	EUREX	INF001	GDBXXINF001	ACTIVE	ACTIVE		SUPERVISOR	INF					9999999999		
1922	GDBXX	EUREX	SAM001	GDBXXSAM001	ACTIVE	ACTIVE		SUPERVISOR	SAM					9999999999	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1923	GDBXX	EUREX	SIM001	GDBXXSIM001	ACTIVE	ACTIVE		SUPERVISOR	SIM					9999999999		
1924	GDBXX	EUREX	SIM002	GDBXXSIM002	ACTIVE	ACTIVE		SUPERVISOR	SIM					9999999999		
1925	GDBXX	EUREX	SIM003	GDBXXSIM003	ACTIVE	ACTIVE		TRADER	SIM					9999999999		
1926	GDBXX	EUREX	SIMACT	GDBXXSIMACT	ACTIVE	ACTIVE		SUPERVISOR	SIM					9999999999		
1928	GDBXX	EUREX	STEFAN	GDBXXSTEFAN	ACTIVE	ACTIVE		SUPERVISOR						9999999999		
1929	GDBXX	EUREX	STINA1	GDBXXSTINA1	ACTIVE	ACTIVE			CDC					9999999999	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1930	GDBXX	EUREX	TRD001	GDBXXTRD001	ACTIVE	ACTIVE		HEAD_TRADER	TRD					9999999999		
1931	GDBXX	EUREX	TRD002	GDBXXTRD002	ACTIVE	ACTIVE		HEAD_TRADER	TRD					9999999999		
1932	GDBXX	EUREX	TRD003	GDBXXTRD003	ACTIVE	ACTIVE		SUPERVISOR	TRD					9999999999		
1933	GDBXX	EUREX	TRD004	GDBXXTRD004	ACTIVE	ACTIVE		SUPERVISOR	TRD					9999999999		

