X-pand into the Future

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Eurex Release 8.0-1: Delivery Harmonization

Related Eurex Circulars: 220/05

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Content may be most important for:	**Attachment:**
➲ All departments	Eurex 8.0-1 Release Notes

Summary:

The attached document “Eurex 8.0-1 Release Notes” describes the enhancements to the Eurex® system, which will be introduced in parallel to CCP Release 3.1. It supplements the information provided with Eurex circular 220/05 "Introduction of CCP Release 3.1: Delivery Harmonization".

Should you have any questions, please contact our Customer Support Team at tel. +49-69-211-1 17 00.

EUREX® Release 8.0-1

Release Notes

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1 Introduction

This document provides information concerning changes applied to the Eurex® system with Release 8.0-1: Delivery Harmonization, which will be launched at the same time as CCP Release 3.1.

The term “Eurex Release 8.0-1" refers to the electronic system jointly serving both the Eurex and EEX organizations.

The following new features will be supported in addition to Delivery Harmonization:

- Listing of British Pound denominated Products
- VAT for EEX EUA Futures

The reports changed for the introduction of the new features, are listed in the chapter “Report Changes” of this document. Report enhancements recommended by the productive operation of Eurex Release 8.0 will additionally be introduced. An updated version of the Eurex document “X00077000 XML Report Reference Manual” containing all report enhancements accompanied by modification notes will be published prior to the introduction of Eurex Release 8.0-1.

Neither changes to the layout of the member’s @X-ceed Trading GUI or @X-tract Clearing GUI nor to the Eurex VALUES requests are currently planned.

Please refer to the document “CCP Release 3.1 Preliminary Release Notes” for the changes which will be applied to the CCP with its Release 3.1.

Please note:

The date of the market launch of the features “Listing of British Pound denominated Products” and “VAT for EEX EUA Futures” may not be the same as of Eurex Release 8.0-1. In this case a separate Eurex circular will inform about the introduction date of the respective feature.

2 Delivery Harmonization

To provide customers with the advantages of a harmonized delivery process, Eurex Clearing AG integrates deliveries out of notification/ allocation and exercise/ assignment from the Eurex® system into the Central Counterparty (CCP).

Eurex Clearing members are required to link with the Eurex Clearing CCP or to arrange an agreement with a third party that is already linked to it.

For the introduction of Delivery Harmonization, some changes will be applied to the Eurex® system. These changes will be introduced with Eurex 8.0-1 and are described in the following. Changes applied to the Central Counterparty are described in the CCP Release 3.1 document “Preliminary Release Notes”.

2.1 Changes to the Eurex System

The Eurex® system will send delivery instructions for all products and cash settlement amounts for cash settled option on stock products (product type: OSTK) to the CCP.

Data on the notification/ allocation and the exercise/ assignment windows of the @X-tract Clearing GUI will only be displayed on the respective expiration day. Historical data will not be available. This also applies to the corresponding VALUES requests.

Notification/ allocation of intraday expired futures contracts will be performed while the product is in state "Trading". The end of this process for a dedicated product is indicated by an end of assignment/ allocation message (transaction type 422). Although the product may still be in the state “Trading”, clearing activities related to the expired contract will no longer be possible after the end of assignment/ allocation message has been sent. An end of assignment/ allocation message will also be provided per product type and for all products.

On the day of expiry, partial position transfers for intraday expired futures contracts will be executed in the product state "Trading", whereas partial position transfers for other contracts of the respective products will be executed during the nightly batch. In all other cases partial position transfers will be executed like today.

As the handling of deliveries will be performed by the CCP, the Eurex® system no longer performs netting of pending deliveries, cancellation of deliveries nor display states of deliveries. Eurex will perform margin calculations for pending deliveries resulting from exercise/ assignment and notification/ allocation similar to the pending deliveries resulting from trades at the cash market (CCP).

As the handling of capital adjustments on pending deliveries will no longer be performed by the Eurex® system, transaction type 594 will be used for all types of capital adjustments. The capital adjustment ratio in back office information messages and reports will be displayed with a precision of eight post decimal positions.

Security CSD relationships will no longer be maintainable in the Eurex® system.

2.2 Obsolete Reports

As the handling of deliveries and capital adjustments on pending deliveries will no longer be performed by the Eurex® system, some Eurex reports become redundant. A list of these reports can be found in chapter “Deleted Text Reports”.

2.3 Obsolete @X-tract Clearing GUI Windows

Data for some @X-tract Clearing GUI windows will no longer be availble on the Eurex® system. Any inquiry in the respective windows as well as the corresponding VALUES requests will be answered with an appropriate error message.

These windows are:

- Clearer Security CSD Maintenance
- Clearer Account Maintenance
- Custodian Overview
- Security CSD Overview
- Delivery Overview

2.4 Obsolete Transaction Types

As the handling of deliveries and capital adjustments on pending deliveries will be no longer performed by the Eurex® system some transaction types become redundant and will be removed:

- 590 - Capital Increase
- 592 - Stock Dividend
- 596 - Capital Decrease
- 598 - Capital Adjustment Rights only
- 634 - Late Delivery Storno
- 636 - Forced Delivery

3 Listing of British Pound denominated Products

The Eurex® system will be enabled to list UK products denominated in British pound and to process British pound cash payments.

No real-time underlying prices for UK products with source London Stock Exchange, XISE, will be available.

Underlying close prices for UK products will be manually entered by Eurex. They will be displayed in the respective windows of the @X-ceed Trading GUI and the @X-tract Clearing GUI and will be available via corresponding VALUES requests.

Security settlement, delivery versus payment, will be instructed by the CCP.

Calculation of cash amounts for British pound will occur in the same way as the current processing for Swiss francs or Euro with the exception that British pound will initially not be eligible for use as a clearing member currency:

- Premiums and variation margins will be settled in British pounds.
- Margin calls for positions products denominated in British pound will be settled in the clearing member currency (Euro or Swiss francs).

A list of payment banks will be provided to the customers. To be able to trade products listed in British pound, a Eurex member needs to be either a payment bank itself or to hold an account within one of these. All Eurex Clearing members are supposed to provide a “Power of Attorney” to Eurex Clearing AG, so that Eurex Clearing AG is able to instruct payments on behalf of the clearing member at the respective payment bank.

Eurex Clearing AG will hold an account at the Barclays Bank PLC. For a payment of Eurex Clearing AG to a clearing member, the Eurex® system will send a payment instruction to Barclays Bank PLC to transfer the respective amount from the Eurex Clearing AG account to the clearing member’s account at the corresponding payment bank. For a payment of a clearing member to Eurex Clearing AG the Eurex® system will send a payment instruction on behalf of the clearing member to the payment bank to transfer the respective amount from the clearing member’s account to the Eurex Clearing AG account at Barclays Bank PLC.

Reports related to the members’ cash accounts, e.g. RPTCD010 Daily Cash Account Statement, will also contain British pound cash data.

4 VAT for EEX EUA Futures

EEX members can trade futures products on EUA (European Union Emission Allowances) at EEX Derivative Exchange on the Eurex platform. Products of this type are physically settled.

Security settlement, delivery versus payment, will be instructed by the CCP. Delivery of EUA is subject to VAT which will be calculated, instructed and reported on the Eurex platform.

The resulting VAT amounts will be reported per delivery in the report CE120 EEX Physical Delivery. VAT amounts will be accumulated per clearing member, account type (A1, PP) and currency together with the VAT-transactions out of the BOM products. The result will be displayed in the report CD010 Daily Cash Account Statement.

The Eurex® system will be enhanced to handle different VAT parameters per product in addition to the currently existing variables. The fact that the due date for VAT payments differs according to the settlement day of the underlying will be taken into account. Risk based margining for pending VAT transactions will be performed.

5 Report Changes

Due to the implementation of the requirements mentioned in this document some changes to Eurex member reports will be performed. Historical versions of modified or deleted reports will not be available after the introduction of Eurex Release 8.0-1.

5.1 Modified XML and Text Reports

The layout of the following reports will be modified:

- RPTCA051 - Capital Adjustment Series
- RPTCA052 - Capital Adjustment Positions
- RPTCA054 - Capital Adjustment Orders
- RPTCB063 - Flexible Options Transaction Overview
- RPTCB064 - Flexible Options Daily Transactions
- RPTCE120 - EEX BOM Physical Delivery, renamed to EEX Physical Delivery
- RPTCE070 - Exercise And Assignment Summary
- RPTCE075 - Notification/Allocation Summary
- RPTTA111 - All Active Series Overview

5.2 Deleted Text Reports

The following reports will become redundant and will no longer be provided by the Eurex® system:

- RPTCA055 - Capital Adjustment Pendings
- RPTCB121 - Member Exception Deliveries
- RPTCE080 - Pending Delivery
- RPTCE100 - Settled Delivery
- RPTCE105 - Settled Bond Delivery

5.3 Deleted Raw Data Files

The following raw data files will no longer be provided by the Eurex® system:

- RAWCE080 - Pending Delivery
- RAWCE100 - Settled Delivery
- RAWCB121 - Member Exception Deliveries
- RAWCE070 - Exercise and Assignment Summary
- RAWCE075 - Notification/Allocation Summary

A Appendix - Glossary of Abbreviations

Term	Description
@X-ceed	Name of the Java-based Eurex trading front-end application
@X-tract	Name of the Java-based Eurex clearing front-end application
API	**A**pplication **P**rogramming **I**nterface
BOM	**B**alance **o**f the **M**onth
CCP	**C**entral **C**ounter**p**arty
CSD	**C**entral **S**ecurities **D**epository
DBAG	**D**eutsche **B**örse **AG**
EEX	**E**uropean **E**nergy E**x**change
EUA	**E**uropean **U**nion Emission **A**llowances
GUI	**G**raphical **U**ser **I**nterface
RAL	**R**esource **A**ccess **L**evel
VALUES	**V**irtual **A**ccess **L**ink **U**sing **E**xchange **S**ervices
VAT	**V**alue **A**dded **T**ax
XML	E**x**tensible **M**arkup **L**anguage