NDF Clearing at Eurex via 360T

March 2022
Unlocking NDF Clearing with Eurex & 360T

Clearing Certainty
(pre-trade)
- Clearing confidence
- STP with immediate clearing confirmation in trade venue

‘To-Clear’ NDF Prices
- Dedicated price for ‘To-Clear’ NDFs
- Considering clearing and risk reduction efficiencies
- Put liquidity providers in competition

Buy-Side Community

Expectations & Requirements

Your comprehensive Eurex & 360T solution suite for NDF clearing

1. Access ‘To-Clear’ Prices for your NDF trades
2. Clearing certainty at point of execution via pre-trade risk limits

... see next slides for further details
NDF Clearing on 360T: ‘To-Clear’ Prices for NDFs

Access ‘To-Clear’ Prices for NDFs in 360T and enjoy immediate clearing at Eurex

- Taker sends RFQ for ‘To-Clear NDF’ via 360T to Liquidity Providers
- Liquidity Providers respond with specific ‘To-Clear’ pricing
- Taker accepts preferred price and awards the trade
- Trade automatically sent to Eurex Clearing
- Trades from 360T are automatically accepted for clearing by Clearing Members
- Eurex Clearing novates trade & sends confirmation to 360T in real-time (typical round trip less than 1 second)
- In the unlikely event that a trade cannot be cleared, immediate trade cancellation means no residual OTC exposure

Why access ‘To-Clear’ Prices

- Access to better pricing
- Likely better price compared to bilateral
- Incentivise liquidity providers to offer most attractive price
- No counterparty credit risk
- Eurex Clearing becomes legal counterpart to trade
- Protection from default via asset segregation and portability
- No disputes / reconciliation
- Reduced initial margin requirement
- Multilateral netting
- Operational efficiencies
- No bilateral documentation / CSAs
Clearing Certainty at Point of Execution: Client Clearing Limits Directly in 360T

- Highest clearing certainty at point of execution
- Clearing limits are used to ensure your 360T trades are always in-limit
- Trades are ‘Cleared or Cancelled’
- No uncleared, bilateral exposure
- 360T ‘To-Clear’ NDFs STP into Eurex
- No post-trade affirmation / middleware to slow or break your trade’s route into Clearing
- No CSAs or bilateral relationships required: you can face any bilateral counterpart you need

Your Clearing Member assigns a Clearing Limits to you in 360T

- Applicable limits: NOP, Net/Gross DSL, Potential Future Exposure, IM
- Dynamic or static limit assignment

Taker

Can only request ‘To-Clear’ trades in 360T when sufficient clearing limit headroom is available

‘To-Clear’ NDF executed on 360T and selected for clearing at Eurex Clearing

Liquidity Provider

Can only respond with their ‘To-Clear’ price while within their clearing limit

Eurex Clearing validates the trade for immediate acceptance into Clearing

- 360T confirms the successful clearing to both parties of the trade: your trade is cleared or no trade done (clearing not possible)
- Average round trip time below 1 second

In the unlikely event that a trade cannot be cleared, the trade will be automatically cancelled in 360T immediately (‘cleared or cancelled’)

1) CCPs must accept or reject each trade for clearing within 10 seconds of receiving the transaction as per current regulatory regimes

EUREX

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Thank you!

For further questions, please contact us:

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