Agenda

1. Release Rollout Approach

2. Release 16.0 Scope Items

3. Questions & Answers
1 Release Rollout Approach
# OTC Release Rollout Approach for 2023

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<td></td>
<td>Jan</td>
<td>Feb</td>
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<tr>
<td>EurexOTC Clear</td>
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<tr>
<td>USD LIBOR Conversion</td>
<td>28 Feb – 2 March</td>
<td>21-23 March</td>
<td>22 Apr</td>
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<td>Release 15.0</td>
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<td>Release 16.0</td>
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</table>

- Simulation start date
- Production go-live
Release 16.0 Key Dates & Documentation

03 Jul 23
- Functional Release Notes

Sep 23
- Introduction Circular
- Simu Clean-Up
- Focus Call
- Release Documentation*

27 Sep 23
- Simu Start

30 Oct – 03 Nov 23
- X-margining focus days

20 Nov 23
- Readiness Statement
- Production Start

*Detailed information on the name of documents can be found in communication calendar
2 Release 16.0
Scope Items
Release 16.0 Scope Items

Scope Items

Automated Position Offset through Trade Entry API

Introduction of OIS on DKK-DESTR (Denmark Short-Term Rate)

A new field 'UPI' for OTC trades

Introduction of Trade Refactoring Compression

API Changes

Report Changes

GUI Changes
Automated Position Offset through Trade Entry API

Overview

Objective

Automation of position offsetting for better user experience & operational efficiency

Implementation Scope

- Trade Entry API
- Approved Trade Source (ATS): Tradeweb & Bloomberg

Status Quo

- Manual retrieval of trade economics
- Manual entry of trade economics in ATS

Enhancement

- Ability to request trade economics in ATS
- Requested trade economics automatically provided to ATS
Automated Position Offset through Trade Entry API

Key Features

- Request for trade economics to include: **CCP Trade IDs, GlobalLEI, ATS ID, and unique request ID**
- **ECAG Technical & Functional Key Validations:**
  - ✓ Eurex CCP trade ID(s) ➔ GlobalLEI?
  - ✓ Trade Status of the requested trades (e.g., VERIFIED)
  - ✓ Is the member/client enabled at ECAG for trade offsetting functionality?
- The CD298 report can be employed to review which clients have the functionality enabled

With the Go-Live, this functionality will be enabled by default for all Clearing Members and their clients. To disable this feature, clients should contact their KAM or the ECAG onboarding team.

Testing this functionality will be possible once the ATS complete the development work on their side.
Automated Position Offset through Trade Entry API

Workflow

1. ATS: Member/client submits REQUEST FOR TRADE ECONOMICS (TEAPI submission channel)
2. ECAG: technical and functional VALIDATIONS
3. ECAG: TRADE ECONOMICS TRANSMISSION to the ATS
4. ATS: CREATION & EXECUTION & SUBMISSION of offsetting swaps
5. ECAG: NOVATION of offsetting swaps
   NETTING with initial swaps in the EOD cycle
Introduction of OIS on DKK-DESTR (Denmark Short-Term Rate)

Overview

- New risk factors, quotes, curve underlyings, and curves
- Maturity of up to and including 11 years
- The full detailed Product List for R16.0 will be available on the Member Section of Deutsche Börse Group:

Resources > Eurex Clearing > Documentation & Files > EurexOTC Clear > System Documentation > Overview

- No further product setup required for DKK OIS trades
- Clients need to be enabled for DKK in currency level
Further Changes

A new field 'UPI' for OTC trades

- A new optional field 'UPI' provided by Approved Trade Source (ATS)
- The format of 12-number alphanumeric code, e.g., UB3825P5999
- Changes in Trade Notification messages and reports
- Changes in EurexAPIXML XSD and Report XSDs

Introduction of Trade Refactoring Compression Algorithm

- Trioptima enhancement in addition to Downscaling, Upscaling, and Trade Revision algorithms
- Residual trades with not only the changes in trade revision (notional, coupon, spread, direction), but also changes in the start and the end date of the trade enabled
API Changes

Increase in the number of Initial Margin parallel requests

- The number of MC-API requests that can be processed in parallel increased up to 20 requests
  - Currently: up to 5 requests to be processed in parallel per member, with calculation dates being current date for each of the 5 requests or past date for up to 2 of the 5 requests
  - With this enhancement: parallel MC-API requests with calculation dates set to current date or set to a max of 5 BDs in the past

Further API Changes

- Trade Entry API enhancement with the new field 'UPI' for OTC trades
- Implementation of Automated Position Offset through Trade Entry API
- DKK-DESTR (Denmark Short-Term Rate) Reference Rate Development in Trade Entry API and MC API
- Validation of the “sender” element within the MarginCalculatorAPIXML Ping Request on MC API
- Validation of the “sentBy” element within the EurexAPIXML Ping Request on FpML- API
Report Changes (1/2)

DKK-DESTR (Denmark Short-Term Rate) Introduction

- All product extension specific information (trade information, rate index, etc.) to be included in several reports*
- No structural changes are necessary

A new field 'UPI' for OTC trades

A new field ‘UPI’ will be added to several reports

Affected Reports

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Code</th>
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<tbody>
<tr>
<td>Trade Novation Report</td>
<td>CI200, CB200</td>
</tr>
<tr>
<td>Trade Daily Summary Report</td>
<td>CI201, CB201</td>
</tr>
</tbody>
</table>

*For the full list of affected reports, please refer to the Functional Release Notes and EurexOTC Report Manual for OTC Release 16.0
Report Changes (2/2)

Implementation of Automated Position Offset through Trade Entry API
- A new “TradeOffsetting” field will be added in the CD298 report
- The value of the new field either "Y" (Yes) or "N" (No)
- By default, the value will be “Y” for all, and members can contact their KAM to change it

Field values extended to 10 decimal points*
- Field values in some reports to be extended from 8 to 10 decimal points:
  - Values for fields Fixed Rate, Spread, and Initial Rate in reports with trade details in FpML-format
  - Values for fields “fixedRate” and “spread” in xml netting reports
  - Values for some fields in csv netting reports

* For the full list of affected reports, please refer to the EurexOTC Report Manual for OTC Release 16.0

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<tr>
<td>Static Data Report</td>
<td>CD298</td>
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<tr>
<td>Netting Portfolio Forecast Report</td>
<td>CI243/CI263</td>
</tr>
<tr>
<td>Netting Report</td>
<td>CC244/CC264</td>
</tr>
<tr>
<td>Netting Portfolio Forecast Report</td>
<td>CI253/CI273</td>
</tr>
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GUI Changes

- A new window to view the details of the cashflow calculation on trade level for Swap trades
- Access to Cashflow rate window
- Download is possible
Further GUI Changes

**OTC GUI**

- The enhancement of Trade Amendment functionality to select multiple trades and have them displayed in the same window
- Netting Parameter window enhancement by two new account parameters: Source System Client ID and Source System CM ID
- A new field “UPI” in the Deal ticket
- Enhancement of the mapping of the optional field RollMethod in the MC download file

**MC GUI**

- Several enhancements to support the clearing of OIS trades on the Danish DKK-DESTR index
- Clearing Eligibility Checker to support Variable Interest Rate Swap (VIRS) and Zero-Coupon Fixed Amount (ZCFA) trades validation
- Increase in the number of Initial Margin parallel requests
- Enhancement of the mapping of the optional field RollMethod
Questions?