

clear to trade



## eurex clearing circular 084/11

**Date:** November 10, 2011  
**Recipients:** All Members of Eurex Clearing AG and Vendors  
**Authorized by:** Thomas Book



High priority

### EurexOTC Clear: Eurex Clearing Service for the Clearing of OTC Interest Rate Swaps (IRS)

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**Content may be most important for:**

☞ All departments

**Attachments:**

1. Communication Calendar

only available on the Eurex Clearing website:

2. Service Description

3. Preliminary Functional Release Notes

4. EurexOTC Clear Static Data Form

5. Simulation Guide

**Summary:**

With this circular Eurex Clearing would like to inform all market participants about its European OTC Clearing Solution ("EurexOTC Clear") for Interest Rate Swaps (IRS) and the planned simulation phase.

The production start for this new clearing service is planned for the **first quarter 2012**. Future EurexOTC Clear for interest rate swaps participants may test their procedures and risk processing in a simulation environment, which will be available as of **November 29, 2011**.

All participants of Eurex Clearing (Clearing Members and Registered Customers) who are interested in the central clearing of interest rate swaps can find the communication calendar and further documents on the website of Eurex Clearing from November 11, 2011 on.

We kindly ask you to forward this announcement to all departments in your company involved or interested in the new clearing service.

Should you have any further questions or should you require additional information, please contact Matthias Rohe at tel. +49-69-211-1 78 86.



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## **EurexOTC Clear: Eurex Clearing Service for the Clearing of OTC Interest Rate Swaps (IRS)**

With this circular Eurex Clearing would like to inform all market participants about its European OTC Clearing solution ("EurexOTC Clear") for Interest Rate Swaps (IRS) and the planned simulation phase.

The EurexOTC Clear service for interest rate swaps is being designed to provide customers the following services and benefits:

- Clearing of a wide range of OTC Interest Rate Swaps ("IRS") for both Clearing Members and customers;
- Clearing of a wide range of OTC Overnight Index Swaps ("OIS") for both Clearing Members and customers;
- Clearing of a wide range of Forward Rate Agreements ("FRAs") for both Clearing Members and customers;
- Minimization of counterparty risk through clearing with Eurex Clearing as Central Counterparty;
- Leverage of Clearing Member's and customer's non-cash assets by allowing a wide range of securities - as well as cash - to be accepted as collateral;
- Operational efficiency via Straight-Through Processing and re-use of existing infrastructure;
- For clients, segregation of margin and portability of trades and collateral in the event of a Clearing Member default by using Eurex Clearing Client Asset Protection.

Production start for the new EurexOTC Clear service is planned for the first quarter 2012.

Further information in scope of the services and available functionality can be found in the following documents:

- **Service Description**  
The document Service Description contains the key facts of the Eurex Clearing service for OTC Interest Rate Swaps, OTC Overnight Index Swaps and Forward Rate Agreements ("Service"). It is addressed to direct members of the service and also clients who may be utilizing the service via Clearing Members.
- **Preliminary Functional Release Notes**  
The document Preliminary Functional Release Notes contains detailed information on the functional and technical scopes of the EurexOTC Clear service. It is primarily geared towards market participants who wish to use the new Eurex Clearing Service for Interest Rate Swaps.

### **Technical Changes**

To minimize technical and operational changes for future EurexOTC Clear participants, the existing connection to the Eurex Clearing network will be used for collateral and cash management. Participants will have the possibility to receive the EurexOTC Clear reports via the "Common Report Engine" which was already introduced with Eurex Release 13.1. Post-trade clearing facilities are available for participants via a newly created browser-based Clearing GUI (EurexOTC Clear GUI).

The EurexOTC Clear GUI

- provides participants with real-time access to their IRS trades
- allows to search for these trades based on different criteria and to download the trades as csv-file

- supports the trade registration process (take-up) and a number of other post-trade events.

Eurex and Eurex Clearing core interfaces are not affected by technical changes with the introduction of the new EurexOTC Clear service.

### **Communication Calendar**

The communication calendar is designed to provide participants with an overview of the planned introduction of the EurexOTC Clear service. The calendar is attached to this circular and is also available in the Member Section on the Eurex Clearing website under the following path:

**[www.eurexclearing.com](http://www.eurexclearing.com) > Member Section > Releases > EurexOTC Clear > Interest Rate Swaps**

### **Simulation**

To test the workflow, margin processes and reports, a simulation environment will be available for the participants as of November 29, 2011. Eurex Clearing recommends to actively participate in the simulation in order to familiarize with the new clearing service and to test the in-house downstream systems and processes.

- **EurexOTC Clear Static Data Form**

In order to enable an earliest possible participation in simulation, interested Members are requested to complete and return the "EurexOTC Clear Static Data Form" for Clearing Members or Registered Customers, respectively, as soon as possible.

You will find the forms on the Eurex Clearing website under the following path:

**[www.eurexclearing.com](http://www.eurexclearing.com) > Documents > Forms > EurexOTC Clear > Single Forms > Interest Rate Swaps**

- **Simulation Guide**

With the Simulation Guide, Eurex Clearing provides a high-level functional description of the OTC Interest Rate Swap Clearing Service. Furthermore, the document guides through the registration process in order to participate in simulation. It also covers the trade registration via the MarkitWire UAT system and post-trade clearing services via the new EurexOTC Clear GUI.

The above-listed documents are published in the Member Section of the Eurex Clearing website. For download please follow the path:

**[www.eurexclearing.com](http://www.eurexclearing.com) > Member Section > Releases > EurexOTC Clear > Interest Rate Swaps**

Should you have any questions or should you require additional information, please contact Matthias Rohe at tel. +49-69-211-1 78 86.

November 10, 2011

EurexOTC Clear IRS Information Schedule	Q IV / 2011			Q I / 2012		
	10/2011	11/2011	12/2011	01/2011	02/2011	03/2011
Announcement of service		<input checked="" type="checkbox"/>				
Information Schedule		<input checked="" type="checkbox"/>				
Simulation Guide		<input checked="" type="checkbox"/>				
Static Data Form		<input checked="" type="checkbox"/>				
Preliminary Functional Release Notes		<input checked="" type="checkbox"/>				
Service Description		<input checked="" type="checkbox"/>				
Member Manuals		<input type="checkbox"/>				
Customer Roadmap		<input type="checkbox"/>				
Simulation Period			Project Simulation		Permanent Simulation	
Final Admission Forms						<input type="checkbox"/>
Eurex Clearing Conditions OTC IRS						<input type="checkbox"/>
Final Functional Release Notes						<input type="checkbox"/>
Announcement Service Introduction						<input type="checkbox"/>
			<input type="checkbox"/> Timeline only indicative			