Eurex Clearing C7

Release Notes_Update

Release: 6.0
Eurex Clearing C7 6.0 – Release Notes_Update

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List of abbreviations:

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<th>Meaning</th>
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<td>C7</td>
<td>Eurex Clearing System</td>
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<tr>
<td>CFTC</td>
<td>U.S. Commodity Futures Trading Commission</td>
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<td>CM</td>
<td>Clearing Member</td>
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<tr>
<td>DC Market Participant</td>
<td>Disclosed Client Market Participant (formerly known as NCM)</td>
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<td>EDP</td>
<td>Electronic Data Processing</td>
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<td>FX</td>
<td>Foreign Currency Exchange</td>
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<tr>
<td>GUI</td>
<td>Graphical User Interface</td>
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<td>T7</td>
<td>Eurex Trading System</td>
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<td>TES</td>
<td>Trade Entry Service</td>
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<td>TSL</td>
<td>Transaction Size Limit</td>
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1 Introduction

This document provides an overview of the functionality made available with C7 Release 6.0.

Important

This release is a mandatory release for all Members of Eurex Clearing, i.e. Clearing Members and DC Market Participants.

1.1 Readiness Statement

According to §10 (3) (ii) of the General Terms and Conditions to the Agreement on Technical Connection to the Clearing Electronic Data Processing (EDP) of Eurex Clearing AG, Clearing Members are obliged to provide Eurex Clearing prior to the first use of the updated service of Eurex Clearing’s C7 with a written statement confirming that (a) the updated service of Eurex Clearing’s C7 successfully passed internal test procedures, and (b) the participant system and the participant software interact with the updated service of Eurex Clearing’s C7 without any errors or interruptions (Readiness Statement via online questionnaire).

Participation in the C7 Release 6.0 release simulation and testing phase is optional, but highly recommended especially for report and interface changes.

1.2 Related Documents

All documents which will be updated in connection with the introduction of C7 Release 6.0 will be made available for download on the Eurex Clearing website under the following path:

www.eurexclearing.com => Technology => Eurex Clearing’s C7 => System Documentation

Details on the publication dates can be found in the “Eurex Clearing Member Communication Calendar” also available under the following path:

www.eurexclearing.com => Technology => Eurex Clearing’s C7 => System Documentation => Overview & Functionality
2 Scope of C7 Release 6.0

Eurex Clearing plans to further migrate functionalities away from Eurex Classic to reduce complexity from the infrastructure and to ease the daily business for Clearing Members and DC Market Participants.

C7 Release 6.0 covers the following changes:

- Decommissioning of Eurex Classic GUI (@X-tract GUI)
- Report changes
- Porting Eurex Classic Product (Group) Assignment to C7
- Decommissioning of Eurex Classic “Transaction Size Limits”
- User Set up and Maintenance for Participants

The following enhancements are also part of C7 Release 6.0:

- Include business day in public End of Assignment FIXML message
- Provision of information relevant for fee calculation

2.1 Decommissioning of Eurex Classic GUI (@X-tract GUI)

Due to the decommissioning of data and services on Eurex Classic, screens on the Eurex Classic GUI are empty or are becoming obsolete. For these windows an alternative will be provided, either on the C7 Clearing GUI, on the website or reports. User entitlement for @X-tract GUI will be obsolete.

Information which is currently available on Eurex Classic will be migrated to C7. The C7 Clearing GUI will be updated, leading to new windows and new functionalities in already existing windows.

As Brexit is looming around the corner we will focus on a staggered approach to ensure system stability, with the overall decommissioning of Eurex Classic being extended to January 13, 2020.

Please note the new windows and functions in C7 Clearing GUI and their availability in simulation and production:

<table>
<thead>
<tr>
<th>C7 Clearing GUI (incl. RDS &amp; Entitlement menus)</th>
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<th>Available in production</th>
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The Deliverable Bonds Overview including the Cheapest to Deliver Information will be still available in Eurex Classic @X-tract GUI for the December 2019 Expiry.

For the March 2020 Expiry a solution via the C7 GUI will be offered.
CM Information currently available in Eurex Classic will be available on the Eurex Clearing website only after the decommissioning of the @X-tract GUI:

- Admissible Securities
- Exchange Rates (Cash Limits available in the GUI online help)
- Newsboard ("Market Supervision Messages")
- Give-Up Contacts (Member Section)

Please also visit the Derivatives Clearing Functional Reference, planned for publication in September 2019 and in the C7 Clearing GUI – User Manual, planned for publication in October 2019, both then available for download on the Eurex Clearing website under the following path:

www.eurexclearing.com => Technology => Eurex Clearing’s C7 => System Documentation

Please note: as soon as a new window is available the Online Help will show a detailed description.

### 2.2 Report Changes

For C7 Release 6.0 the following report changes are planned:

The following reports will only be available in .csv & .xml format with C7 Release 6.0:

- RPTCD033 Collateral Composition
- RPTCD042 Daily Settlement Statement

The following reports will be obsolete with C7 Release 6.0:

- RPTTT110 User Security Maintenance – Information can be found in C7 report RPTTT761 User Entitlement Changes.
- RPTTT115 User Security Status - Information can be found in C7 report RPTTT760 User Entitlement Status.
- RPTTT120 Trader Underlying Maintenance – Products in C7 are only assigned on member level.
- RPTTT121 Member Underlying Maintenance – will be replaced by RPTTT721
- RPTTT126 Member Underlying Status – will be replaced by RPTTT726

And independent from C7 Release 6.0: RPTCD043 ECM: Value Based Alloc. Method (end of 2019)

The following reports will be introduced with C7 Release 6.0. They will only be available in .csv & .xml format.

- RPTCD045 – LSOC Settlement Statement – The report displays margin requirements and LSOC specific collateral values.
- RPTTT721 - Member Capacity and Product Assignment Maintenance. This report shows all changes of the member product and member capacity assignments for the respective business day. Additionally, if the name of a capacity has been changed, the new capacity name will be provided in the report. Changes can be triggered by a user of the Clearing Member or the Clearing House and will be visible on the report. The report will include the information for the CM as well for the DC Market Participant.
• RPTTT726 - Member Capacity and Product Assignment Status. This report shows the state of the member product and member capacity assignments effective on the next business day. This includes modifications created by a user or automatically in regards to: change in product assignment, new products, a modification of the product symbol, a product deletion, movement of a product between capacities, name change of a capacity, a clearer change. Changes can be triggered by a Clearing Member or the Clearing House. The report will include the information for the CM as well for the DC Market Participant.

Detailed information will be provided in the Eurex Clearing XML Report documentation, planned for publication in September 2019 and then available for download on the Eurex Clearing website under the following path:

www.eurexclearing.com => Technology => Eurex Clearing's C7 => System Documentation => Eurex Reports

2.3 Porting Eurex Classic Product (Group) Assignment to C7

With the steps to migrate functionality away from Eurex Classic, changes will apply for the member-product assignment and pre-trade risk parameters (section 2.4).

2.3.1 Current behavior in Eurex Classic – Product (Group) Assignment

Eurex Clearing defines Product Groups and assigns the according products to them. These groups are then assigned to both CM and DC Market Participants.

The Product Groups (and therewith the assigned products) per default have a quantity of zero.

CM assign quantities > 0 to products for their DC Market Participants, however maximum quantities as defined by Eurex/Eurex Clearing apply.

In case the default of zero for the Product Group is changed, new products get the new default assigned.

2.3.2 Future behavior in C7 – Capacity Assignment

The former product groups are replaced by “Capacities”. These capacities are built based on Clearing Member license granularity, including capacities holding exceptions like, CFTC allowed products.

As in Eurex Classic, these capacities (including products) are assigned to both CM and DC Market Participants by Eurex Clearing.

For trading and clearing purposes Eurex Clearing assigns CM and DC Market Participants per default all products related to a capacity.

Since no quantities for Capacity / Product level are maintained in C7 anymore (please refer to section 2.4 for more details) the assigned capacities (including products) allow trading and clearing for CM as well as the DC Market Participant.

CM have the possibility to change the setting of the products for himself as well as for his DC Market Participants by de-assigning the products. The CM can re-assign the products accordingly. These changes have an immediate effect on trading as well as clearing (take up and external position transfer).
The maintenance of products by the CM for themselves and for their DC Market Participants will be possible from 23 September – 10 October 2019 in simulation and from 11 November – 15 November 2019 in production.

The activation of the functionality is on 10 October 2019 in simulation and on 18 November 2019 in production.

Please be aware: No existing Max Order Quantity settings will be migrated from Eurex Classic to C7. All products assigned will, by default, allow trading and clearing.

Reference data changes will be supported until 19:45 CET.

Please also refer to the Derivatives Clearing Functional Reference, planned for publication in September 2019 and available for download on the Eurex Clearing website under the following path:

www.eurexclearing.com => Technology => Eurex Clearing's C7 => System Documentation => Overview & Functionality

### 2.4 Decommissioning of Eurex Classic “Transaction Size Limits”

#### 2.4.1 Current behavior in Eurex Classic

When CM change a Transaction Size Limit quantity > zero to a product for one of their DC Market Participants:

The DC Market Participant is allowed to trade that product and the DC Market Participant can assign that product to it's traders in T7. The assignment to the user is done for product and TSL on user level.

Additonally, the CM can define separate maximum order quantities for that product depending on execution type:

- Max. On-exchange quantity
- Max. Spread quantity
- Max. TES quantity

All changes can be done intraday with immediate effect.

#### 2.4.2 Future behaviour in T7 and C7 – Pre Trade Risk functionality and Max Order Quantities

CM have the possibility to restrict one or several products from trading and clearing by changing the setting of the respective product in C7 for themselves or their DC Market Participants (please refer to section 2.3).

In order to allow CM to effectively manage pre-trade risk for their DC Market Participants, Eurex Exchange will offer a range of Pre-Trade Risk Position Limits in T7.

T7 offers CM the possibility to control DC Market Participants on a product level and to limit orderbook/ TES exposure (order quantity in the book, plus net position traded on the day).
T7 already offers Pre-Trade Risk Limits for all trading hours extended products as well as FX futures (on-book and TES). It is planned to add Pre-Trade Risk Limits for orderbook trading for further major benchmark futures. The functionality to set Pre-Trade Risk Limits for TES trading for all products will be allowed with T7 Release 8.0 in November 2019.

Please refer to the T7 Release Notes available for download on the Eurex Exchange website under the following path:

www.eurexexchange.com => Technology =>T7 => System Documentation => Release 8

Max Order Quantities:

“Max Order Quantities” as defined by Eurex remain in place and the max order quantity on trader level can still be defined by the administrator of CM and DC Market Participants in T7. Eurex will evaluate whether changes are required for the Max Order Quantities defined, such as different maximum quantities for different product types.

2.5 User Set up & Maintenance for Participants

Due to the further migration of functionalities away from Eurex Classic participant’s user maintenance will be performed in C7.

Participants will maintain their users themselves in C7. The creation of the first user for new members will be done on behalf of participant as of now. The participant (user) has to identify himself. This user will be marked as initial user and Eurex Clearing will assign him with the Security Administrator role and therefore give him opportunity to create and maintain other users. All personal data of all users will be stored in the member section.

Entitlement related information will be part of the User Entitlement Guide, planned for publication in September 2019 and available for download on the Eurex Clearing website under the following path:

www.eurexclearing.com => Technology => Eurex Clearing’s C7 => System Documentation => Overview & Functionality

2.6 Enhancement of End of Assignment FIXML message

The business date will be added to the “End of Assignment” message so that the members can control their backoffice processing for the correct date.

The End of Assignment message (TrdgSesStat message) is sent “per product”, for “all options”, and for “all products”. As of today it does not contain a business date.

The FIXML tag “TrdDt” will be added to all End of Assignment messages. This field will always contain the date applicable to the business day for which these public messages relate.

Please refer to FIXML documentation volume 5 published in August 2019 and available for download on the Eurex Clearing website under the following path:

www.eurexclearing.com => Technology => Eurex Clearing’s C7 => System Documentation
2.7 Information provision for fee calculation

In trading, members can mark trades as disclosed or non-disclosed, which defines whether trades will be published directly or later. For this feature bilateral non-disclosed block trades could be effected by a different fee calculation (see also Eurex Clearing Circular 018/18).

Members and vendors need the information on every transaction and adjustment in clearing in order to calculate and reconcile the fees. A new identifier will be available in FIXML (TradeCaptureReport and AllocationInstruction) as well as on the C7 Clearing GUI. The FIXML field is TradePublishedIndicator (Tag:1390).

Average Price transactions cannot be created cross different disclosure flags. A disclosed transaction can only be merged with disclosed transactions but not with non-disclosed transactions or vice-versa.

This feature will be available in simulation starting 10 October 2019 and in production on 18 November 2019.

Please refer to FIXML documentation volumes 3, 4 and 6 published in August 2019 and to the C7 Clearing GUI – User Manual planned for publication in October 2019.

All documents will be available for download on the Eurex Clearing website under the following path:

www.eurexclearing.com => Technology => Eurex Clearing's C7 => System Documentation
### 3 Timeline

The following table gives an overview of the scope for C7 Release 6.0 and its availability in simulation and production.

**C7 Release 6.0 simulation start:** 16 September 2019  
**C7 Release 6.0 production start:** 18 November 2019

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