



Eurex Clearing Circular 096/18

EurexOTC Clear: Production launch announcement of EurexOTC Clear Release 9.0 and service introductions

Summary

With this circular, Eurex Clearing would like to inform about the following introductions and changes:

- Production launch of EurexOTC Clear Release 9.0 on **3 December 2018**
- Portfolio compression live run 2018 through triReduce® (TriOptima®) in production for 12–19 December 2018
- Tradeweb as new Approved Trade Source for OTC IRS
- Change of the Clearing take-up by a U.S. Clearing Member (FCM).

Please note that the functions and services introduced (such as reports and FpML messages) might have an impact on the interfaces of Eurex Clearing. In order to prepare for the start of production, please update your systems (e.g. for report processing) with the newly created schemas (e.g. report XSDs).

Attachments:

- none

Date: 13 November 2018

Recipients:

All EurexOTC Clear Clearing Members and Registered Customers of Eurex Clearing AG and Vendors

Authorized by:

Thomas Laux

Target group:

- All departments

Contact:

Your Key Account Manager Clearing,
clearing.services-admission@eurexclearing.com



EurexOTC Clear: Production launch announcement of EurexOTC Clear Release 9.0 and service introductions

1. Production launch of EurexOTC Clear Release 9.0

As announced in Eurex Clearing circular 065/18, the following changes are introduced with Release 9.0 which are relevant for OTC IRS and OTC FX/XCCY Swap participants:

- the EurexOTC Clear GUI will be enhanced with an additional field for the internal trade ID
- the netting criteria for Variable Notional Swaps (VNS) will be relaxed
- the current novation buffer logic that covers all asset classes will be enhanced
- the European Money Markets Institute (EMMI), the Euribor[®] Fixings 2W, 2M, 9M will be decommissioned

The following changes are introduced for OTC FX and OTC XCCY swap products:

- the field "Max.NettingLevelFX" will be renamed to "Max.NettingLevelXCCY"
- the Liquidity Adjustment (LA) component of the Liquidation Group "PFX01" will be broken down to LAs per currency pairs (EUR/USD, GBP/USD)

Further details on the above-mentioned enhancements and changes can be found in the functional and technical documentations, which are updated with OTC Release 9.0.

Please note that the functions and services introduced with this release (such as reports and FpML messages) will have an impact on the interfaces of Eurex Clearing. In order to prepare for the start of production, please update your systems (e.g. for report processing) with the newly created schemas (e.g. report XSDs), valid for the EurexOTC Clear Release introduced on 3 December 2018 (as of start of business).

Please note: After the batch processing on Friday, 30 November 2018, reports are created based on EurexOTC Clear Release 8.1 formats. Intraday and End-of-Day reports that are created on Monday, 3 December 2018, start of business, will be created based on EurexOTC Clear Release 9.0 formats. From that day on, the new cash report CD710 is provided instead of CD010.

The following remaining documents contain essential information and updates regarding OTC Release 9.0:

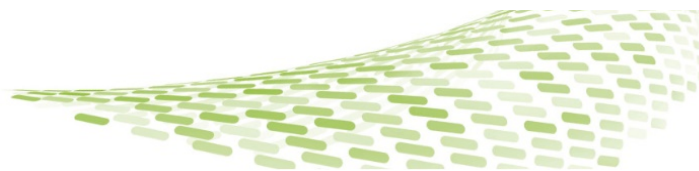
- EurexOTC Clear Procedure Manual
- EurexOTC Clear Risk Methodology Description (IRS) – final version
- EurexOTC Clear Risk Methodology Description (FX/XCCY) – final version

They are available in the [Member Section](#) of the Eurex Clearing website www.eurexclearing.com under:

[Member Section](#) > [Technology](#) > [EurexOTC Clear](#) > [System Documentation](#) > [Functional Documents & Guides](#)

Once testing has been successful, Clearing Members are kindly requested to declare readiness for EurexOTC Clear Release 9.0 via [Readiness Statement](#). Please bear in mind that readiness needs to be declared by 23 November 2018 latest.

For your convenient transmission of the Readiness Statement, it will be collected via online questionnaire. The questionnaire has been published on the Eurex Clearing website: [Readiness Statement](#).



2. Service introduction for OTC IRS: Portfolio compression through triReduce® (TriOptima®)

Eurex Clearing is already supporting the multilateral portfolio compression service triReduce® offered by TriOptima® (see Eurex Clearing circular 023/16). Portfolio compression aims to reduce the size of an existing OTC IRS portfolio with respect to the number of trades and notional through (partial) termination of bilaterally agreed trades after novation of Eurex Clearing.

In close consultation with market participants and TriOptima®, Eurex Clearing announces the next compression live run in production for 12–19 December 2018.

2.1 Necessary preparations to start using the portfolio compression service via TriOptima® in production

Clearing Members may participate in a compression cycle at their own discretion, however, prior to participation, they must sign up for the service. The main features and scope of the compression run are as follows:

- accepted currencies: EUR
- unlinked multilateral compression
- D2D (Dealer-to-Dealer) compression (CM's P-accounts only)
- Eligible trades in CM's P-accounts will be submitted to TriOptima® and locked for Post Trade Events/Netting
- Eurex Clearing provides updates on CCP Trade IDs and UTIs (Unique Trade Identifiers).

The following steps should be performed before using the compression service in production (if not already done) by **6 December 2018 latest**:

- sign the adherence letter to the "triReduce® Eurex Clearing Compression Protocol" and send it to TriOptima®
- select "Portfolio Compression" on the form "EurexOTC Clear Interest Rate Derivative Static Data Form for Clearing Member (Production)" and send the form and copy of the adherence letter to your personal Key Account Manager. The form is available on the Eurex Clearing website under: [Resources > Forms](#)
- ensure connectivity to TriOptima® (triReduce® website: <https://secure.trireduce.com/rates/>) and register for the compression run with TriOptima®.

A functional description of the compression cycle and any technical impacts are already part of the functional and technical EurexOTC Clear documentation, e.g. Procedure Manual and Report Manual. Such documents are available in the [Member Section](#) of the Eurex Clearing website under the following path:

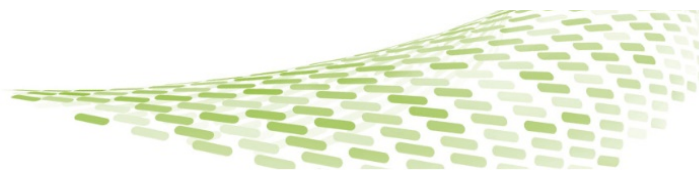
[Member Section](#) > [Technology](#) > [EurexOTC Clear](#) > [System Documentation](#)

3. Service introduction for OTC IRS: Tradeweb as new Approved Trade Source

For trade registration of OTC IRS products, Eurex Clearing uses the functionality and infrastructure of "Approved Trade Sources" (ATS). Eurex Clearing is pleased to announce that EurexOTC Clear IRS Members can use Tradeweb to submit OTC trades directly to Eurex Clearing into the production environment for clearing. Using Tradeweb as ATS in simulation has been possible since October 2018.

The introduction of Tradeweb as ATS has no impact on the FpML Interface or the structure of reports. Only the identifier of Tradeweb as ATS and the Global LE ID of the customer will be shown in the respective fields.

The novation process is identical for all ATS, meaning that once the trade is submitted for clearing and subsequently novated, Eurex Clearing becomes the "golden source" of the trade.



In general, Tradeweb supports all products and currencies which are available for clearing via Eurex Clearing. For further information on the supported products, please refer to the respective information and documentation channels of Tradeweb. The updated EurexOTC Product List is available in the [Member Section](#) of the Eurex Clearing website under the path:

[Member Section](#) > [Technology](#) > [EurexOTC Clear](#) > [System Documentation](#) > [Overview](#) > [EurexOTC Clear Product List](#)

For any support, please use the standard hotlines at Eurex Clearing and for Tradeweb the following contact details: European Client Services, telephone: +44(0)20 7776 3200, e-mail: europe.clientservices@tradeweb.com.

3.1 Necessary preparations to use Tradeweb as an Approved Trade Source

Before the start of trading via Tradeweb and the clearing of Interest Rate Swap products in production, existing Clearing Members/Dealers and Registered Customers/Clients are requested to first contact Tradeweb. At Eurex Clearing, the Members can apply for the set-up of Tradeweb as ATS via the below-mentioned form:

- The set-up/onboarding of a new client as a Registered Customer using Tradeweb as ATS can be done by the Clearing Member via the “Registered Customer Admission Tool” (available in the Eurex Clearing [Member Section](#) under the path: Admissions & User IDs > Company Admission).
- For the set-up of Tradeweb as ATS for existing Clearing Member and Registered Customer, the form “EurexOTC Clear Interest Rate Derivative Static Data Form for Clearing Member (Production)” resp. “EurexOTC Clear Interest Rate Derivative Static Data Form for Registered Customer (Production)” can be used (for Fund Manager please add the “Upload Sheet Flex Accounts for NCMs/RCs”. The following details need to be specified: Approved Trade Source, Global LE ID (and the preferred source system (if the Clearing Member uses more than one source system). Please send the form(s) to your personal Key Account Manager Clearing. The Static Data Forms are published on the Eurex Clearing website under the path: [Resources](#) > [Forms](#)

4. FCM Clearing Members: Change of the Clearing take-up by a U.S. Clearing Member (FCM)

As required by the Commodity Futures Trading Commission (CFTC), Eurex Clearing will contact the FCM Clearing Member about a breach of the acceptance period, if there is a trade waiting for Clearing Broker (CB) take-up by a U.S. Clearing Member longer than ten minutes. Furthermore, all trades waiting for CB take-up will be rejected by EOD on T.

If you have any questions or require further information please contact your Key Account Manager Clearing or send an e-mail to: clearing.services-admission@eurexclearing.com.

13 November 2018