C7 Release 11.0

Focus Call

9 October 2024

Introduction Schedule

27 May 2024
Functional Release Notes

27 May 2024
Release Documentation

8 November 2024
Readiness Statement

Communication Calendar

Introduction Circular

Simulation Start

Production Start

27 May 2024

27 May 2024

11 September 2024

18 November 2024
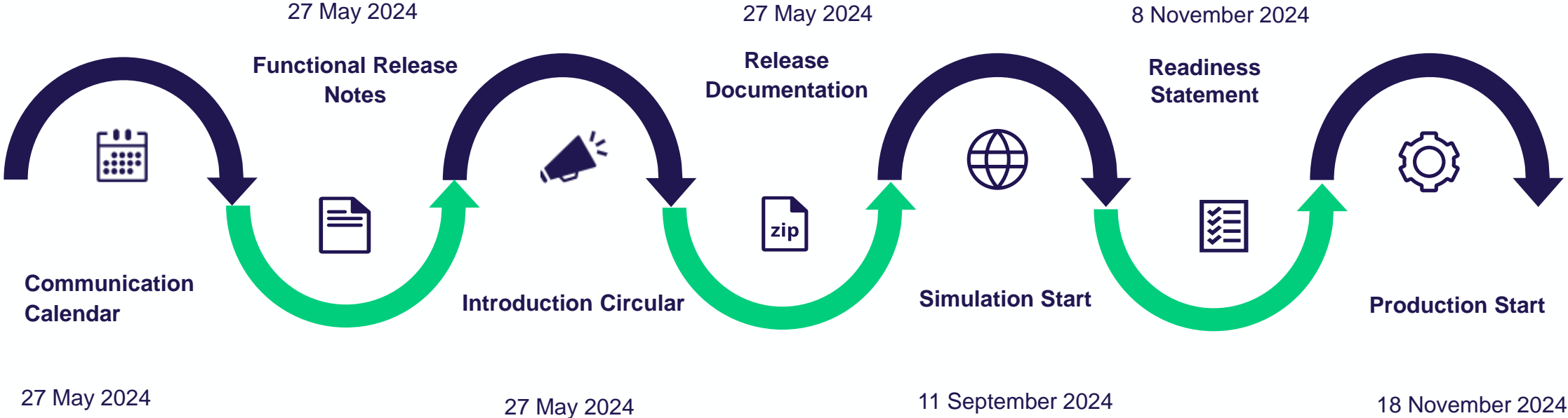
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- This release is a mandatory release for all Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG and vendors.
- This Release is not backwards compatible.

→ Focus of this presentation:

- **Value based average pricing (VBAP) enhancements**
- **C7 user account clean-up**
- **E-Mail notification in case of level 3 limit breaches**
- **Illogical Exercise via GUI**
- **Type of Money Quota**
- **Fee Identification Code Enhancement**

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Features/Enhancements

Value based average pricing (VBAP) enhancement #1: FIXML AIA message

- FIXML Allocation Instruction Alert (AIA) to provide fee type specific sub-quantity breakdown for remaining allocation quantities.

- FIXML Allocation Instruction Alert message will additionally provide quantity details at sub-group level. The following information at sub-group level will be contained in the AIA FIXML message
  - ✓ total sub-group quantity
  - ✓ remaining sub-group quantity
  - ✓ offset quantity
  - ✓ allocation sub-group

Action items

- Mandatory change
- Information at sub-group level quantities will be available in the Clearing report RPTCB716 and can be inquired using the C7 GUI
- FIXML change with new component "AllocGroupSubQtyGrp" needs to be tested.

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Features/Enhancements

VBAP enhancement #2: Average pricing of different FIX Tag 1031 values

- Eurex members will be allowed to request an allocation out of a group for a specific Customer Order Handling Instruction in addition to the currently allowed criteria.

- Customer Order Handling Instruction information will be retained in scenarios of VBAP grouping and will be considered while allocation process and relevant pro-rata calculations.

Action items

- Mandatory change

- New FIXML field "CustOrderHandlingdlInst" with FIX Tag 1031 in the Allocation Instruction FIXML message needs to be tested.

- VBAP windows on C7 GUI will be updated regarding the Rate ID*.

- New field "rateIdentifier"** in the Clearing report RPTCB716 to be tested.

* The content of Rate ID field in C7 GUI is the same as the value of transaction's Customer Order Handling Instruction
** The content of rateIdentifier field in the reports is the same as the value of transaction's Customer Order Handling Instruction.

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Features/Enhancements

VBAP enhancement #3: Additional text fields in FIXML Allocation Instruction message

- Members will be able to use FIXML Allocation Instruction. Allocation Instructions message to specify target text fields when requesting Account Transfer for average price transaction(s) out of the VBAP group aligning GUI and FIXML behavior

- The already existing text fields in the AllocGrp of the Allocation Instructions message could be used in future for the Account Transfer. To achieve this, the nested parties for the Target Member and Target Accounts have been moved to the AllocGrp.

Action items

- Mandatory change
- Changes to the AllocInstrctnFIXML message needs to be considered.

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Features/Enhancements

VBAP enhancement #4: "Ref Open/Close" field becomes mandatory

- Ref Open/Close field will be a mandatory field (applies in case a give-up is initiated when allocating a transaction through 'Create Average Price Transactions' window).

- Prefilled with value "O" but can be changed to "C" by members.

Action items

- Mandatory change
- C7 GUI change only

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Features/Enhancements

VBAP enhancement #5: Additional validation during allocation cancellation

- Eurex is planning to introduce an additional validation while processing cancel allocations

  ✓ If the group's forecasted SCAP is lying outside the Group's High/Low Price range, then the Cancel Allocation request will be rejected with an appropriate message.

Action items

- Clearing Members should be aware of the added validation. If the user needs to cancel the allocation in such problematic scenarios, the user needs to cancel other allocation(s) first or cancel allocations in the reverse order of their initial allocation OR cancel all Allocations out of the group. After successful cancellation, the user may send new allocation requests at appropriate average price.

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Features/Enhancements

E-Mail notification in case of level 3 limit breaches

- C7 ARP users can opt in for email notifications in addition to the GUI pop up and FIXML message.
- The email service will not be legally binding.
- Please note that only generic mailbox addresses, and not personal email addresses will be permitted due to data protection rules regulating the C7 service.
- The notification email will provide the following details:
  - ✓ Type of breach (soft/hard)
  - ✓ Timestamp of breach
  - ✓ Maintenance member ID
  - ✓ Affected member ID

Action items

- Optional Service offering.
- Members opting in for this service shall contact their Key Account Manager or send an email to client.services@deutsche-boerse.com

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Features/Enhancements

C7 user account clean-up

- Eurex plans to perform a system clean-up
- All C7 user accounts that have not been used for more than two years will be deleted, except for:
  - ✓ All users listed in the "Outsourcing Relationship Overview"
  - ✓ All users flagged as "initial user"
  - ✓ Users which were created in the last 2 years* but were not active
- (Admin) Users with role "Service Administrator" and privilege "A001INQ Internal User Inquire" are able to see all users on the "User Entitlement Maintenance window" including the new fields of "last activity"; the "day of user creation" and the "initial user" flag.
- Deletion of the accounts will become effective with C7 Release 11.0

* Definition of the decisive calendar day: 18 Nov 2022

Action items

- Clearing members need to check if they still require the accounts not used for > 2 years prior to the deletion

- User Entitlement Maintenance Window is enhanced to show last activity of the user, day of user creation and initial user

- Outdated user IDs can be deleted by the (Admin) user before introduction of C7 Release 11.0

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Features/Enhancements

Illogical Exercise via GUI

- Eurex is planning to enhance the C7 GUI window with additional fields, indicating whether the results are partially or fully exercised/assigned against the position held at the expiry.

- An IOA indicator column (in-the-money, out-of-the money, at-the-money) will be implemented, that also considers the FSP (Final Settlement price) or EDSP (Exchange Delivery Settlement Price) or USP (Underlying Stock Price).

Action items

- C7 GUI change only

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Features/Enhancements

Type of Money (ToM) Quota

- The transactions (deposit/withdrawal) with ToM "Quota" will be generated to fulfill permanent cash ratio requirements.

- The cash transaction amounts to meet the permanent cash ratio will be calculated on collateral pool level on a daily basis (EoD values) and will be determined as a difference between the actual delivered cash collateral (Types of Money 'Blocked', 'Term' and 'Quota') and the required cash collateral (total/applicable margin requirements times permanent cash ratio).

Action items

- Mandatory change
- New valid value "Q" for the 'typeOfMoney' field in C7 Reports CD020, CD080, CD100, CD230, CD231, CI720, CI731,CD031 must be considered and tested.

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Features/Enhancements

Fee Identification Code Enhancement

- The existing "Fee Sub Product Qualifier" as a part of the Fee Code will be enhanced by a new valid value "V". V only applies to leg trades in physically settled single stock futures resulting from options volatility strategy (OVS) or non-standard options volatility strategy (NOVS) trade in single stock option. Please note that, usually, the leg trades in single stock futures are performed in daily expiring contracts.

Action items

- Mandatory change
- The field "Fee Identification Code" in the FIXML messages, C7 GUI and Reports must be considered and tested.

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Thank you!

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