

## **Eurex Clearing - C7 SCS 4.0**

### **C7 SCS 4.0 - Release Notes**

Eurex Clearing AG

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## Abstract

With C7 SCS Release 4.0, Eurex Clearing will introduce the possibility for Eurex Clearing Members who clear Eurex Repo Transactions to provide a CBF (Clearstream Banking AG, Frankfurt) account for settlement of Special Repo and GC Repo Transactions in bonds with prefixes BE (Belgian), EU (Eurobonds), NL (Dutch), and XS (Eurobonds) that are T2S eligible.

Furthermore, a new daily report “GC Pooling Collateral Allocation Report” (CE88X) containing allocated collateral information for each open exposure at Clearing Member, Currency, GCP Basket ISIN and Account level will be introduced. As well the Eurex Repo related reports Repo Intraday Settled Trade Report (CI87X), Repo Trade Confirmation Report (TC80X) and Repo Contracts Report (TC85X) will be enhanced by adding a new optional field.

The timeline for C7 SCS Release 4.0 is as follows:

- Start of Simulation: **30 September 2024**
  - Start of Production: **18 November 2024**
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## **Table of Contents**

<b>1</b>	<b>Introduction</b>	<b>6</b>
<b>1.1</b>	<b>Readiness Statement</b>	<b>6</b>
<b>1.2</b>	<b>Related Documents</b>	<b>6</b>
<b>2</b>	<b>Overview C7 SCS Release 4.0</b>	<b>8</b>
<b>3</b>	<b>Settlement of Special Repo and GC Repo transactions for T2S eligible EU, XS, Belgian and Dutch bonds via CBF accounts</b>	<b>9</b>
<b>4</b>	<b>Introduction of the new report GC Pooling Collateral Allocation Report (CE880)</b>	<b>11</b>
<b>5</b>	<b>Optional field in Repo Reports (technical release only)</b>	<b>12</b>
<b>6</b>	<b>Abbreviations and Glossary of Terms</b>	<b>13</b>

## 1 Introduction

This document provides an overview of the functionality covered and available with C7 SCS Release 4.0.

With C7 SCS Release 4.0, Eurex Clearing AG (Eurex Clearing) will introduce the possibility for Eurex Clearing Members who clear Eurex Repo Transactions to provide a CBF (Clearstream Banking AG, Frankfurt) account for settlement of Special Repo and GC Repo Transactions in bonds with prefixes BE (Belgian), EU (Eurobonds), NL (Dutch), and XS (Eurobonds) that are T2S eligible.

Furthermore, a new daily report "GC Pooling Collateral Allocation Report" (CE88X) containing allocated collateral information for each open exposure at Clearing Member, Currency, GCP Basket ISIN and Account level will be introduced. As well the Eurex Repo related reports Repo Intraday Settled Trade Report (CI87X), Repo Trade Confirmation Report (TC80X) and Repo Contracts Report (TC85X) will be enhanced by adding a new optional field.

**Important:** The C7 SCS Release 4.0 with a planned go-live date on 18 November 2024 is a mandatory release for Eurex Repo Clearing Members, DC Market Participants, and respective Settlement Institutions (SI).

### 1.1 Readiness Statement

Due to the nature of C7 SCS Release 4.0 as a mandatory release, Eurex Clearing will require a readiness statement from the Clearing Members.

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, Clearing Members are obliged to provide Eurex Clearing prior to the first use of the service of Eurex Clearing's C7 SCS with a written statement confirming that

- (a) the service of Eurex Clearing's C7 SCS successfully passed internal test procedures based on each member's own defined test cases, and
- (b) the participant system and the participant software interact with the service of Eurex Clearing's C7 SCS without any errors or interruptions (Readiness Statement via online questionnaire).

Participation in the C7 SCS Release 4.0 simulation and testing phase is optional, though highly recommended – especially for report and interface changes. Eurex Clearing will offer test cases to give all participants the opportunity to get familiar with the new clearing service of settlement of Special Repo and GC Repo transactions via CBF for the bonds with prefixes BE (Belgian), EU (Eurobonds), NL (Dutch) and XS (Eurobonds) that are T2S eligible, as well as the opportunity to test the new reports and new changes of the reports.

### 1.2 Related Documents

All documents which will be updated in connection with the introduction of C7 SCS Release 4.0 will be made available for download on Eurex Clearing website [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) under the following path: [Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Release 4.0](#)

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Details on the publication dates can be found in the "C7 SCS 4.0 Member Communication Calendar" available on the Eurex Clearing website [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) under the following path:

[Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Release 4.0 > System Documentation > Overview & Functionality](#)

## 2 Overview C7 SCS Release 4.0

Eurex Clearing is planning to launch C7 SCS Release 4.0 on **18 November 2024**.

C7 SCS Release 4.0 covers the following functional changes:

- Settlement of Special Repo and GC Repo transactions for T2S eligible XS, EU, Belgian and Dutch bonds via CBF accounts.
- Introduction of the new report GC Pooling Collateral Allocation Report (CE880)
- Optional field in Repo Reports (technical release only)

Eurex Clearing provides a dedicated release simulation environment to allow participants the opportunity to perform comprehensive testing of their applications, independent from the C7 SCS production environment.

The simulation period for C7 SCS Release 4.0 is planned to start on **30 September 2024**.

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### 3 Settlement of Special Repo and GC Repo transactions for T2S eligible EU, XS, Belgian and Dutch bonds via CBF accounts

As a first phase, in June 2024, Settlement of Special Repo and GC Repo transactions for Non-German bonds for the French, Italian and Spanish markets via CBF accounts was introduced. With C7 SCS Release 4.0, Eurex Clearing will introduce in a second phase, the possibility for Eurex Repo members to provide a CBF (Clearstream Banking AG, Frankfurt) account for the settlement of Special Repo and GC Repo Transactions in bonds with prefixes BE (Belgian), EU (Eurobonds), NL (Dutch) and XS (Eurobonds) that are T2S eligible.

The current and envisaged solutions for the settlement location for Non-DE ISINs look as follows:

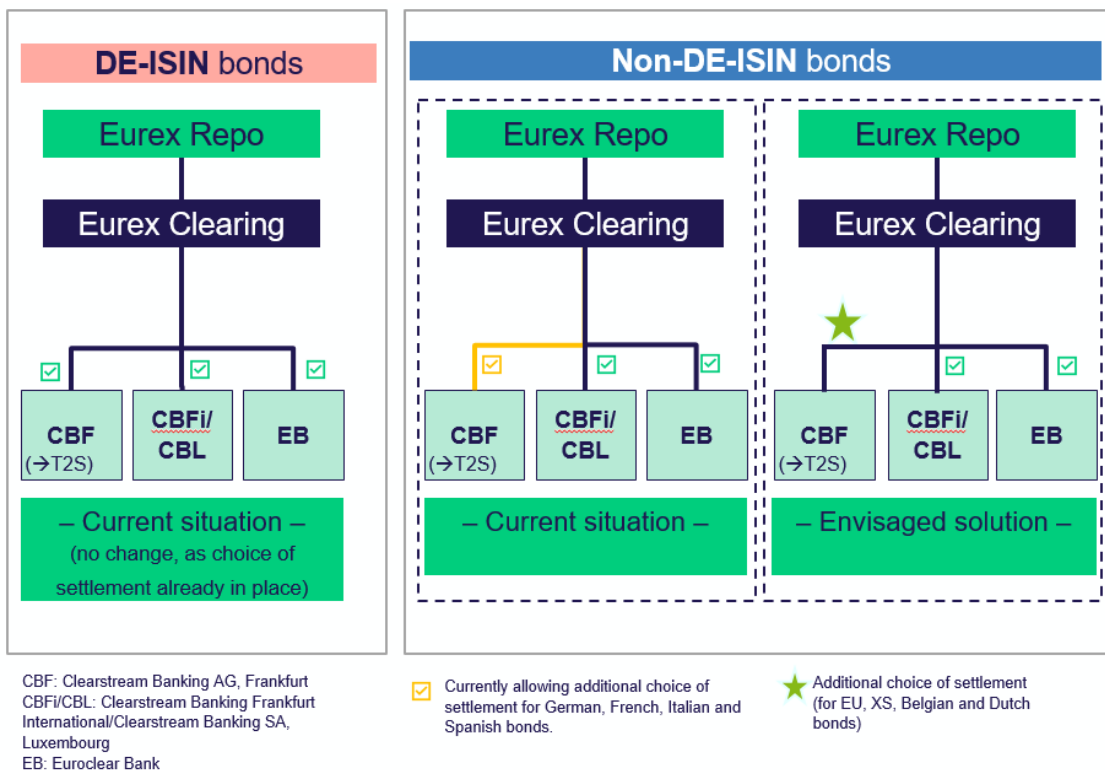


Figure 1. Extension of Special Repo settlement at CBF

Clients willing to use the enhancement will need to request the amendment of their settlement account setup for Eurex Repo accordingly and provide Eurex Clearing with the respective CBF account. In addition, T2S Party BIC (BIC11) linked with the CBF account is required as part of master data by C7 SCS. Please contact Eurex Repo Account Management at [repo.accountmgmt@eurex.com](mailto:repo.accountmgmt@eurex.com) for adapting clients' set-up.

No action will be required for members who wish to continue with their existing setup of settlement location.

This enhancement is applicable for Special Repo and GC Repo transactions only and does not affect GC Pooling Repo transactions.

Eurex Clearing encourages Eurex Repo participants, willing to use the enhanced settlement process described above for the settlement of Non-German T2S Eligible ISINs, to actively participate in simulation for C7 SCS Release 4.0 in order to check how the change of place of settlement will be processed in customers' internal systems.

#### **4 Introduction of the new report GC Pooling Collateral Allocation Report (CE880)**

With the November Release (C7 SCS Release 4.0) a new GC Pooling Collateral Allocation report will be provided to the members which will display collateral allocation content.

This report contains open exposure at Clearing Member, Currency, GC Pooling Basket ISIN, Account level. Allocated single collaterals to each open exposure are also reported. GC Pooling trades that contribute (i.e., where the front leg has settled, and term leg is pending) to the open exposure are reported as well.

In case, the ISA Direct License Holder is a Repo Asset Manager then the GC Pooling trades are reported at individual fund level and the contribution of each fund to the open exposure is reported as a percentage. Please note that the fund related information in this report is only relevant for Repo Asset Manager model and more details for the same will be published with business go-live of the Repo Asset Manager model.

Only XML version is provided. The Clearing Member and Settlement Institute Institution version will be made per default available to all GC Pooling members. Trading Member version is optional and requires active subscription request via Clearing Data. This report can be ordered via form "SCS report selection for Clearing Member/Settlement Institution consolidated", available on the Eurex Clearing website under the link: Find > Forms.

## 5 Optional field in Repo Reports (technical release only)

For Eurex Repo business a new optional field with information about fund will be added, resulting in change of report structure.

An optional field 'fundShortCode' is added to the following Repo reports:

Report	Name
TC800 / TC801 / TC802	Repo Confirmation Report
TC850 / TC851 / TC852	Repo Contracts Report
CI870 / CI871 / CI872	Intraday Settled Delivery Report

Table 1: Repo Reports with added optional field

This field is only for future use. This will be relevant for Repo Asset Manager model and more details for the same will be published with business go-live of the Repo Asset Manager model.

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## 6 Abbreviations and Glossary of Terms

Abbreviations	Description
AG	Aktiengesellschaft (public limited company)
C7 SCS	C7 Securities Clearing Service
BIC	Bank Identifier Code
CBF	Clearstream Banking Frankfurt
CBF-i	Clearstream Banking Frankfurt International
CBL	Clearstream Banking Luxembourg
CSD	Central Securities Depository
DC	Direct Clearing
EDP	Clearing Electronic Data Processing
EUR	Euro
FWB	Frankfurter Wertpapierbörse
GC	General Collateral
GCP	General Collateral Pooling
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
SCS	Securities Clearing Service
SI	Settlement Institution
T2S	TARGET2-Securities
XETR	XETRA Trading location

Table 2: Abbreviations and Glossary of Terms