



eurex clearing circular 089/16

Date: 5 July 2016
Recipients: All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
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CCP Release 12.0: Adjustment of Gross Delivery Management (GDM) processing for (partially) closed trades

Related Eurex Clearing circulars: 177/14, 049/15, 132/15, 146/15, 037/16, 050/16

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Content may be most important for:

☞ All departments

Attachments:

none

Summary:

On 5 April 2016 Eurex Clearing announced adjustments to Gross Delivery Management (GDM) processing for CCP Release 10.0. Based on client feedback, this procedure will stay in place until the production launch of CCP Release 12.0/T2S wave 4 to allow proper testing of the adjusted procedure during CCP Release 12.0 simulation.

The adjusted procedure to queue GDM releases via Member Settlement Instruction File (MSIF) for (partially) closed trades will be implemented with CCP Release 12.0/T2S wave 4 on **6 February 2017**.

CCP Release 12.0: Adjustment of Gross Delivery Management (GDM) processing for (partially) closed trades

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Based on client feedback, this procedure will stay in place until production launch of CCP Release 12.0/T2S wave 4 to allow proper testing of the adjusted procedure during CCP Release 12.0 simulation.

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In a few cases, current processing under CCP Release 10.0 has the following known limitation:

- For (partially) closed trade quantities which are released between settlement date switch and corporate action processing, the respective reporting in reports CA180 and CE270 might be flawed. This applies to equity-style products in non-collective safe custody, equity-style products in Swiss franc (CHF) issued by SIX SIS and in case of custody type change from collective safe custody to non-collective safe custody.

Eurex Clearing will monitor corporate action events and inform affected clients in case there is an incorrect reporting of released (partially) closed trade quantities.

With the implementation of the adjusted procedure with CCP Release 12.0/T2S wave 4 on 6 February 2017, the described limitation will become obsolete.

Solution with CCP Release 12.0 – queuing of MSIF release requests for (partially) closed trades

The MSIF release requests for (partially) closed trades will be queued from settlement date switch until Eurex Clearing's corporate action processing is completed to ensure correct corporate action processing and reporting to clients. GDM requests via Member GUI will be rejected during this time.

The queued MSIF release requests will be validated directly after corporate action processing:

- In case the ISIN is not affected by a corporate action event, the queued MSIF message will be processed
- In case the ISIN is affected by a corporate action event, the queued MSIF message will be rejected. The request is rejected with the existing error message when checked during MSIF processing.

MSIF release requests for (partially) closed trades will be queued during the following time windows (all times CET):

Instrument group	Queuing start (switch settlement date)	Queuing end (CA processing)
a) Equity-style products in EUR in collective safe custody at CBF	approx. 16:10	approx. 18:30
b) Equity-style products in EUR/non-EUR in non-collective safe custody	approx. 15:30	approx. 23:00
c) Equity-style products in CHF issued by SIX SIS	approx. 15:30	approx. 23:00
d) Equity-style products in non-EUR in collective safe custody at CBF	approx. 17:30	approx. 23:00

For the instrument group mentioned under a), releases will be effective for Night Time Processing (NTP). Settlement of closed trades will be directly reported in report CE270. MSIF feedback (rejections) will be sent to Members approximately at 18:30 CET.

For the instrument groups mentioned under b), c) and d), releases will be effective for NTP. Settlement of closed trades will be directly reported in CE270. MSIF feedback (rejections) will be sent to Members on the morning of the following day.

When there are several releases for the same trade after queuing, all MSIF releases are processed and respective releases are aggregated (processing as today).

The procedure will be available in simulation starting October 2016. If required, Members can test rejections of queued MSIF releases during the corporate action focus days in November 2016.

The processing described above is documented in the "CCP Release 12.0/T2S wave 4 Release Notes" which have been made available for download in the Member Section of the Eurex Clearing website www.eurexclearing.com under the following path:

Eurex Clearing Member Section > Technology > CCP Releases > CCP 12.0 / T2S wave 4 > Manuals > Functional Manuals

If you have any questions or require additional information, please contact Group Client Services & Administration at tel. +49-69-211-1 17 00 or e-mail: memberservices@eurexclearing.com.

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