

Migration of Derivatives Position & Transaction Management from EUREX Classic to C7

Summary

As of **24 June 2019**, ECC will migrate its Derivatives Position & Transaction Management from the EUREX Classic Clearing System to the C7 Clearing System.

C7 is the state-of-the-art Clearing Platform of Deutsche Börse Group and has – since its introduction for EUREX Clearing AG (ECAG) in 2013 – been significantly extended and improved to serve customers across various markets with highly reliable solutions.

ECC and its members have been using C7 since the migration of Collateral Management Services in December 2017 and the upcoming migration of Advanced Risk Protection Services in December 2018. The migration of Position & Transaction Management services in June 2019 marks the final step of moving customer facing services to the new platform.

This circular is the first in a series of announcements in regard to this matter and shall highlight the areas of change, necessary preparations required from ECC members as well as the overall timeline of this project.

Contact

European Commodity Clearing AG
Clearing & Settlement
Phone: +49 341 24680-444
E-mail: clearing@ecc.de

Timeline & Communication Plan

The preparation and launch of C7 for ECC Transaction and Position management is planned according to the following schedule:

Date	Topic
29 November 2018	Initial Announcement Circular (this document)
December 2018	Publication of Reporting impact documentation and preliminary FIXML documentation and examples
February 2018	Publication of final Functional Reference Guide for C7, Report Reference Manual and final FIXML Documentation for C7 + member simulation engagement plan
March 2018	Preparation of member simulation – GUI roll-out, deployment of users & entitlements, configuration of Simplified Backoffice Outsourcing and Automatic Take-up
01 April 2019	Simulation Announcement Circular, incl. detailed simulation instructions
03 April 2019	Last business day in old simulation environment, incl. end-of-day procedure
04-05 April 2019	Position migration from EUREX Classic to C7 simulation environment
08 April 2019	Begin of customer simulation in C7
April – June 2019	Coordinated simulation activities with focus on ECC specific clearing services (Cascading, Balance-of-Month products)
29 May 2019	Availability of entitlement self-service in production
30 May 2019	Go-Live Announcement Circular, incl. detailed migration procedure
19 June 2019	Go-Live Confirmation Circular
21 June	Last business day in old production environment, incl. end-of-day procedures
22-23 June 2019	Position migration from EUREX Classic to C7 production environment
24 June 2019	Go-Live of Position & Transaction Management in C7 production
From 24 June 2019 onwards	Post go-live support

Summary of impact

Migration Approach

After closing of business day 21 June 2019, incl. all end-of-day settlement procedures, ECC will migrate open positions of all members in all products to C7. Over the course of the migration, ECC will publish an extraordinary Position Report via CRE confirming that positions opened in C7 exactly represent end of day positions in EUREX Classic. The business day 24 June 2019 will subsequently be opened and fully processed within C7, i.e. trades will only be booked in C7.

Please note that ECC will not migrate any clearing transactions (trade adjustments, give-up/take-up workflows), which means that trades of 20 and 21 June 2019 will no longer be adjustable within C7 from 24 June 2019. Members will be asked to ensure that trade adjustments concerning trades concluded until 21 June 2019 are fully processed by close of business on 21 June 2019.

Impact on Graphical User Interface (GUI) solutions:

Members using the EUREX Classic @x-tract GUI for purposes of Position and Transaction Management will have to adopt the new C7 GUI, if not done already.

Technical Access: Members using Deutsche Börse's member section can request technical connectivity and GUI provision via this self-service infrastructure. Otherwise, please approach ECC Member Readiness with form T01, found under [1] or within the C7 Starter Kit.

User Setup: Generally, members have to use a Service Administrator user in C7 for self-management of GUI roles and entitlement. In addition, users for Position & Transaction Management are needed for C7 allowing members to perform Position & Transaction management duties. ECC will automatically migrate all users of the current EUREX Classic system that are assigned RAL 102 in EUREX Classic and automatically assign roles "Service Administrator" based on RAL 101 and 104, respectively "Position & Transaction Manager" based on RAL 89. In cases of doubt and for the setup of new users or changes to user setup, please approach ECC Member Readiness with form T10, found under [1] or within the C7 Starter Kit.

Entitlement: Member's Service Administrator users can assign Position & Transaction Management roles / privileges to any user set up in C7. Please refer to [3] or Chapter 5 in the document "C7 Clearing GUI – User Manual" in the C7 Starter Kit.

GUI Usage: Position & Transaction Management in C7 is greatly improved over the legacy system. Please refer to [3] or to the document "C7 Clearing GUI – User Manual" in the C7 Starter Kit. In addition

you may find the Screencasts produced by ECAG useful to familiarize yourself with the new GUI. Please refer to [5].

Impact on FIXML and Vendor Systems

Members using the EUREX Classic FIXML interface with vendor provided (ISV) or self-developed clearing systems will have to adopt new FIXML layouts and message routing keys. No changes are necessary to the technical connectivity, though.

For preliminary information on C7 FIXML, please refer to [4]. Further C7 FIXML Impact Documentation will be provided in due course.

Impact on Reports

Derivatives Clearing reports will continue to be provided via Common Report Engine (CRE). In many cases, new reports from C7 will replace and rationalize current reports from EUREX Classic. Reports are structurally updated requiring members to adapt automatic processing solutions based on ECC reports. Pure text file reports are no longer offered, only CSV and XML formats are supported going forward. A detailed impact document for reports will be provided in due course.

In the course of the migration, ECC will introduce additional ECC specific reports, currently not available via CRE. These reports will be fully described in the upcoming report documentation:

- CB013: Daily Account Statement report, incl. relevant Market Identification Codes (MIC) of ECC Partner Exchanges
- CI140: Intraday Variation Margin & Premium Payment Forecast

In case initial setup for CRE is required please approach ECC Member Readiness with form T06 found under [1] or within the C7 Starter Kit.

Impact on Backoffice Outsourcing Arrangements

C7 provides a convenient Simplified Backoffice Outsourcing solution, allowing Clearing Member users responsible for backoffice operation on behalf of a Non-Clearing Member to use their own C7 user credentials; instead of user credentials provided by the NCM. For further details please refer to [3] or to the document “C7 Clearing GUI – User Manual” in the C7 Starter Kit.

ECC strives to migrate all known outsourcing relationships into this new solution. Clearing Members providing backoffice services to NCMs are advised to contact ECC Member Readiness to ensure Simplified Outsourcing is enabled for them.

Impact on Straight-Through Processing (STP) / Automatic Take-up functionality

With the introduction of C7, ECC will offer its members greatly improved functionality for the automatic confirmation of trade transfers (“Automatic Take-up”). An update on changed possibilities to setup automation rules will be provided in due course.

Impact on EMIR Article 9 Trade and Position Reporting

Updates on ECC’s UTI (Unique Trade Identifier) for Transactions and/or Positions will be shared in ECCs C7 reporting impact document in due course.

Financial Settlement for Emission Allowances Futures

Following the migration of Balance of Month (BOM) product related payments to SMSS in November 2018 (please refer to Clearing Circulars 24/2018 and 46/2018), ECC will integrate also the financial settlement of Futures on EUA Emission Allowances with their physical delivery in the SMSS system.

ECC will inform about this step in a dedicated Circular over the course of Q1/2019.

Simplified usage of Clearing Accounts and Clearing Actions

The new system for Position & Transaction Management supports more flexible usage of Clearing Accounts and of Clearing Actions. Automatic Close-out (currently only available for M1 and M2 account) can be configured for any clearing account by the member.

Transaction Management functions will be available for the same number of business days after the transaction date, instead of different rules per function. Moreover it will be possible to move transactions and positions to any account without restriction to special source and target account combinations.

Resources

A C7 “Starter Kit” with all important (preliminary) documentation is available for download on the ECC website. ECC will update the starter kit with new information as it becomes available and will inform members about availability of new documentation within circulars as described above.

For the most up-to-date and first hand documentation, please refer to the following resources:

#	Topic	Link
[1]	ECC Forms (Technical Connectivity, GUI Setup, User Setup, Reporting)	https://www.ecc.de/ecc-en/access-to-ecc/admission-forms/technical_forms
[2]	C7 Documentation	http://www.eurexclearing.com/clearing-en/technology/c7/system-documentation-c7
[3]	C7 GUI Documentation	http://www.eurexclearing.com/clearing-en/technology/c7/system-documentation-c7/System-documentation/3021612?frag=3021598
[4]	C7 FIXML Documentation	http://www.eurexclearing.com/clearing-en/technology/c7/system-documentation-c7/System-documentation/3021612?frag=3021614
[5]	C7 Educational Material (Screencasts)	http://www.eurexclearing.com/clearing-en/technology/c7/education

Contacts

Depending on the subject of your query, please feel free to reach out to the following teams and individuals in order to seek assistance. In cases of doubt or for general inquiries please contact the C7 Project Team under c7@ecc.de.

Team	Topics	Contact Details
Member Readiness	<ul style="list-style-type: none"> • Technical access and GUI setup (form T01) • User initial setup (form T10) and Entitlement support • Common Report Engine setup (form T06) • Simplified Outsourcing setup (form T07) 	Email: memberreadiness@ecc.de Phone: +49 341 24680-261 Fax: +49 341 24680-559
Clearing Sales	<ul style="list-style-type: none"> • Clearing Member Readiness Declaration 	<i>Please refer to your Key Account Manager</i>
Sales	<ul style="list-style-type: none"> • Non-Clearing Member Readiness Declaration 	<i>Please refer to your Key Account Manager</i>
ISV Sales	<ul style="list-style-type: none"> • ISV Readiness • FIXML Adoption 	Email: alan.lun@eex.com Phone: +44 207 862 7563
Clearing Operations	<ul style="list-style-type: none"> • Functional Readiness 	Email: c7@ecc.de
Reporting Services	<ul style="list-style-type: none"> • Changes to EMIR Reporting 	Email: reporting-services@eex.com Phone: +49 341 2156-380
C7 Project Team	<ul style="list-style-type: none"> • General Inquiries 	Email: c7@ecc.de