

Clearing Circular 15/2021

2021-04-13

News

Launch of Handysize 7TC Futures for the EEX Freight and EEX Asia Freight Product Suite

Physical
Settlement

Summary

From **19th April 2021** onwards, ECC will offer clearing services for Handysize 7TC Futures listed on EEX and EEX Asia.

Financial
Settlement

This Clearing Circular contains information regarding the product setup, clearing and settlement processes as well as the preconditions for participation.

Risk
Management

Information
Technology

Contact

European Commodity Clearing AG

Clearing & Settlement

Phone: +49 341 24680-444

E-mail: clearing@ecc.de

Product Setup

The Handysize 7TC futures are set up as follows within the ECC clearing system:

Product	Name	SMSS Product Group
H7TC	EEX – Handysize 7TC Freight Futures	EEX_FT_FREIGHT_TC_USD
NH7T	EEX Asia – Handysize 7TC Freight Futures	CLTX_FT_FREIGHT_TC_USD

Detailed information on the product setup is provided in the ECC Clearing Specification and in the ECC Contract Detail File, which are available for download on the ECC website.

Clearing Process

Registration of transactions for clearing

The transactions registered on EEX or EEX Asia will be imported into the EUREX clearing system and integrated into the standard clearing processes for derivative contracts. Transactions are included in the EUREX data streams and in the EUREX reports. In addition, transactions can be retrieved via the ECC Member Area after 9:30 am CET on the next ECC business day.

The transactions are processed in the ECC settlement system SMSS for invoicing purposes using the product groups mentioned above.

Financial settlement

The futures are settled financially in USD. For open positions and new transactions, a variation margin is calculated on every ECC business day and settled on every USD cash settlement day. The settlement prices required to this end are determined by EEX Asia for all freight futures (i.e. also EEX freight products) in the product currency USD and published in the EUREX system at approximately 7:00 pm CET. That also means that corresponding contracts of EEX Asia and EEX are settled with the same settlement price.

Margining

For open positions, an initial margin will be calculated on each ECC business day according to ECC's standard methodology. Margin parameters are updated and published in the SPAN¹ parameter file on the ECC website. The EEX Asia products will be listed under the exchange complex "EEX – European Energy Exchange" inside the SPAN file.

The initial margin requirements will be reported in the SPAN margin class in the Report CC750 Daily Margin.

Fees and Invoicing

¹ SPAN® is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no liability in connection with the use of SPAN by any person or entity.

Further information on the ECC fees can be found on ECC's website (<https://www.ecc.de/ecc-en/about-ecc/rules/price-list>).

EMIR Reporting

Please note that EEX future contracts as well as EEX Asia future contracts have to be reported according to EMIR Article 9. Therefore ECC's EMIR Data Services will automatically be extended to these products.

Preconditions for Participation

Clearing Member

The ECC clearing licence for Clearing Members already covers clearing of Freight Futures.

Non-Clearing Member

Trading Participants who have already been approved for participation in EEX Freight Futures and/or EEX Asia Freight Futures will automatically be approved for trading the new corresponding contracts.

Trading Participants who are admitted at ECC but have not been registered at EEX or EEX Asia have to complete the full admission process for the respective exchange.

New Participants who have not been registered with ECC so far have to complete the admission process as a Non-Clearing Member including the ECC KYC process.

Clearing Members are requested to check the product assignments and quantity limits for their NCMs accordingly.