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Clearing Circular 22/2018

2018-06-06

Introduction of EEX European Liquid Milk Futures

Summary

From **15 August 2018** onwards ECC will offer clearing services for EEX European Liquid Milk Futures.

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

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Product Setup

The EEX European Liquid Milk Futures offered at EEX for order book trading and trade registration will be set up as follows within the ECC clearing system:

ISIN Code	Product ID	Name	SMSS Product Group
DE000A2G9892	FALM	European Liquid Milk Future	EEX_FT_DAIRY_LMILK

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 concluded on EEX 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, the transactions can be retrieved via 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 group mentioned above. Please note that deviating from the contract specification the contract unit in the ECC and EEX invoices will be shown in decitonnes (dt; one tenth of a ton).

Financial settlement

The future products are settled financially in EUR. For the open future positions at the end of each ECC business day a variation margin is calculated using the settlement prices obtained from EEX. The settlement prices are published in the EUREX system at approximately 7:00 pm CET on each ECC business day.

Margining

For open positions an initial margin will be calculated according to ECC's standard methodology (SPAN¹). Margin parameters are updated and published daily in the SPAN parameter file on the ECC website.

The initial margin requirements will be reported in the SPAN margin class in the EUREX Report CC050 Daily Margin.

Fees and Invoicing

The following fees will be charged according to the ECC Price List and are settled on the 10th business day of the following month:

Transaction	ECC Clearing Fee	ECC Cash Settlement upon expiry of a future
Derivative trades in European Liquid Milk Futures	1.00 EUR/contract	2.50 EUR/contract

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.

EMIR Reporting

Please note that EEX European Liquid Milk Futures 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 the clearing of EEX European Liquid Milk Futures.

Non-Clearing Member

Participants who have already been approved for participation in EEX Financial Futures on Agricultural Products will be automatically approved for trading of EEX European Liquid Milk Futures.

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

Simulation

The new product is set up within the EUREX Classic Simulation environment and as of now available for test purposes.

As announced in ECC Clearing Circular 20/2018 on 01 June 2018, the EUREX Classic Simulation environment will not be available **between 30 July and 10 August 2018**. Please consider this time window in the test schedules.