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News

Physical
Settlement

Financial
Settlement

Risk
Management

Information
Technology

Migration of risk functionalities from Eurex Classic to C7

Summary

As of **3 December 2018,** ECC will migrate several risk functionalities from the Eurex Classic Clearing System to the C7 Clearing System. The change includes the migration of:

- Advanced Risk Protection (ARP)
- Stop Button

The functionalities will be migrated without any functional changes.

Clearing Members using these functionalities will need to assign specific user roles in C7 and are encouraged to use the Member Simulation to familiarize with the C7 Clearing System.

This circular contains information on the functionalities and required activities before the go-live.

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Migration of risk functionalities from Eurex Classic to C7

Functionality description

As of 3 December 2018, the risk management functionalitites Advanced Risk Protection (ARP) and the Stop Button will be migrated from the Eurex Classic Clearing System to the C7 Clearing System. No functional changes will take place with the migration.

A new C7 GUI menu 'Risk Protection' will be introduced that can be accessed by users with the corresponding user entitlements.

ARP is a post-trade risk management tool for Clearing Members and Non-Clearing Members to monitor the risk exposure of several different combinations of risk measures, e.g. based on Total Margin Requirement. For each type of risk measure, different action levels can be triggered, e.g. a Non-Clearing Member can be suspended from trading and clearing if a certain Total Margin Requirement is reached. The available risk measures and action levels are described in the ECC Risk Management Manual available on the ECC website.

The Stop Button can be used by Clearing Members to suspend or reactivate their assigned Non-Clearing Members. The Stop Button triggers the Emergency Member Stop Procedure as described in the ECC Risk Management Manual and in the ECC Clearing Conditions.

Member Reports and FIXML interface

At the time of the migration the structure of the reports TT130 RISK EVENT REPORT and TT131 RISK EVENT TRADER REPORT will be changed.

In addition to the reports, Clearing Members and Non-Clearing Members can consume new broadcast messages via FIXML interface for all cases when a Non-Clearing Member is suspended or released by using the Stop Button or the ARP functionality.

An updated version of the Report Manual, XML Schema files and FIXML User Guide will be published in the last week of August 2018.

Entitlement

A user of the 'Risk Protection' functionality requires an assignment of new user roles in order to view or to use the Stop Button and ARP.

In order to maintain user roles, Security Administrators need to be assigned per Clearing Member or Non-Clearing Member. The Security Administrator maintains all internal user role assignments using the four-eye-principle.

For any questions on the availability of a Security Administrator or the maintenance of user roles in C7 Clearing System, please contact memberreadiness@ecc.de.

The following roles will be made available:

Role	Description
Risk Manager (RM)	Full access to all 'Risk Protection' functions for a CM user
Risk Manager View (View RM)	Inquiry of all 'Risk Protection' functions for CM and NCM users
Risk Limit Manager (RLM)	Maintenance of ARP for CM and NCM users

Member Readiness

In order to prepare for the go-live, the functionality will be made available in the C7 simulation environment in October 2018 for member testing. To prepare for the member simulation, the Security Administrator will be able to maintain the user roles as of September 2018.

There will be no automatic migration of user roles to C7 users for simulation and production for existing users of ARP and Stop Button in Eurex Classic Clearing System.

The user roles will be made available in production as of 5 November 2018 and need to be assigned to available C7 users by the Security Administrator until 3 December 2018. Members requiring a new Security Administrator or new users in C7 need to use the form T10 available at https://www.ecc.de/ecc-en/access-to-ecc/admission-forms/technical_forms.

In case of any questions, please contact c7@ecc.de.