

2nd Update: Foreign Currency Settlement Process

Summary

In the ECC Clearing Circular 23/2018 (published on 11 June 2018), ECC advised of planned changes to its foreign currency settlement process.

In the first update to this correspondence (Clearing Circular 34/2018 on 10 August 2018) ECC advised of its intentions to go-live as per 08. November 2018.

In this update ECC wishes to inform members that due to incomplete technical readiness of the connected CMs and their correspondent banks we have decided to offer a transition phase for those involved in the migration of their FX settlement from Clearstream Banking to the Correspondent Bank infrastructure until 31st March 2019.

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Transition Phase Timeline and Preconditions for Clearing Members

The transition phase is intended to give more time to the connected Clearing Members to fulfill necessary preconditions for successful participation in ECCs Foreign Currency Settlement.

Clearing Members who can not migrate to their Correspondent Bank of choice as per 8th November 2018 will be allowed to continue to settle via their existing 6-series accounts at Clearstream Banking for all non-EUR currencies.

1. The transition phase will start from **8 November 2018** until **31 March 2019**, inclusive.
2. Submission of the “CM08 Activation of Settlement Accounts for Foreign Currency” settlement form has to be done until **31st January 2019** to the attention of MemberReadiness@ecc.de
3. Completion of penny tests during the individual account setup process at ECC to confirm the debit/credit processes are working smoothly. Clearing Members are requested to provide a dedicated contact for the account setup and test procedure via the CM08 form.
4. By end of the transition phase each Clearing Member needs to be migrated to the Correspondent Bank of choice.

Each affected Clearing member will be contacted by its EEX Key-Account-Manager in order to agree to an individual transition plan and to inform about the relevant further steps.

During the transition phase the timings for payouts in foreign currencies might slightly deviate from current practice due to technical restrictions. ECC aims to avoid delays in the payment process to the extent possible.