

EEX Group Workshop
European Commodity Clearing AG
Migration of Clearing Functionality to C7®

Speaker: Pieter Hauffe | ECC | Head of Business Analysis & Projects
27 June 2019

EEX Group clearing services

Secured clearing and settlement of all transactions is provided by our clearing houses ECC and Nodal Clear in the US.

› ecc › nodalclear

- Our clearing houses assume clearing as well as physical and financial settlement of transactions concluded and registered for clearing on all partner exchanges.
- ECC is licensed as central counterparty under EMIR.
- Nodal Clear is licensed as Derivatives Clearing Organisation (DCO) pursuant to the Commodities Exchange Act.
- ECC has the status of a recognised Clearing House in Singapore by the Monetary Authority of Singapore (MAS).
- Cross-margining is possible across all partner exchanges and commodities.

Clearing & Settlement services

Physical
settlement
(delivery)

Financial
Settlement
(payment)

Risk
management
services

Reporting
services

Who we are



Pieter Hauffe

Head of Business Analysis & Projects

+49 341 24680 – 545 / pieter.hauffe@ecc.de



Onno Henze

Expert Clearing Operations

+49 341 24680 – 544 / onno-christoph.henze@ecc.de

Agenda

Background: EEX Group goes T7 and C7

Areas of Impact

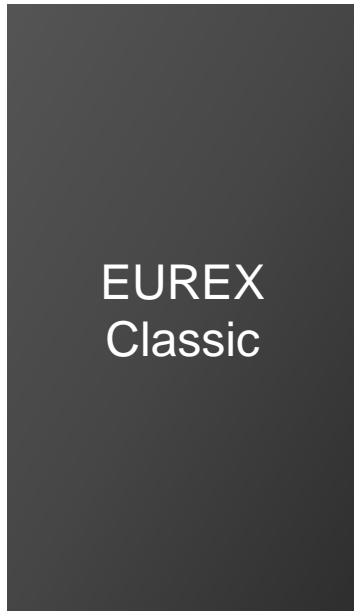
Member Simulation

Migration Timeline

Readiness Checklist

EEX Group migration to T7[®] and C7[®], the state of the art Trading and Clearing platforms of Deutsche Börse Group

Before



After



Milestones for EEX Group

- 2013 EEX order-book
- 2017 PEGAS and PXE order-book
- 2018 NODAL Exchange
- 04/2019 EEX/PEGAS Trade Registration & Straight-Through Process (STP)
- 12/2017 ECC Collateral Management
- 06/2018 ECC Payment Services
- 12/2018 ECC Advanced Risk Protection
- 08/2019 ECC Position & Transaction Management**

Agenda

Background: EEX Group goes T7 and C7

Areas of Impact

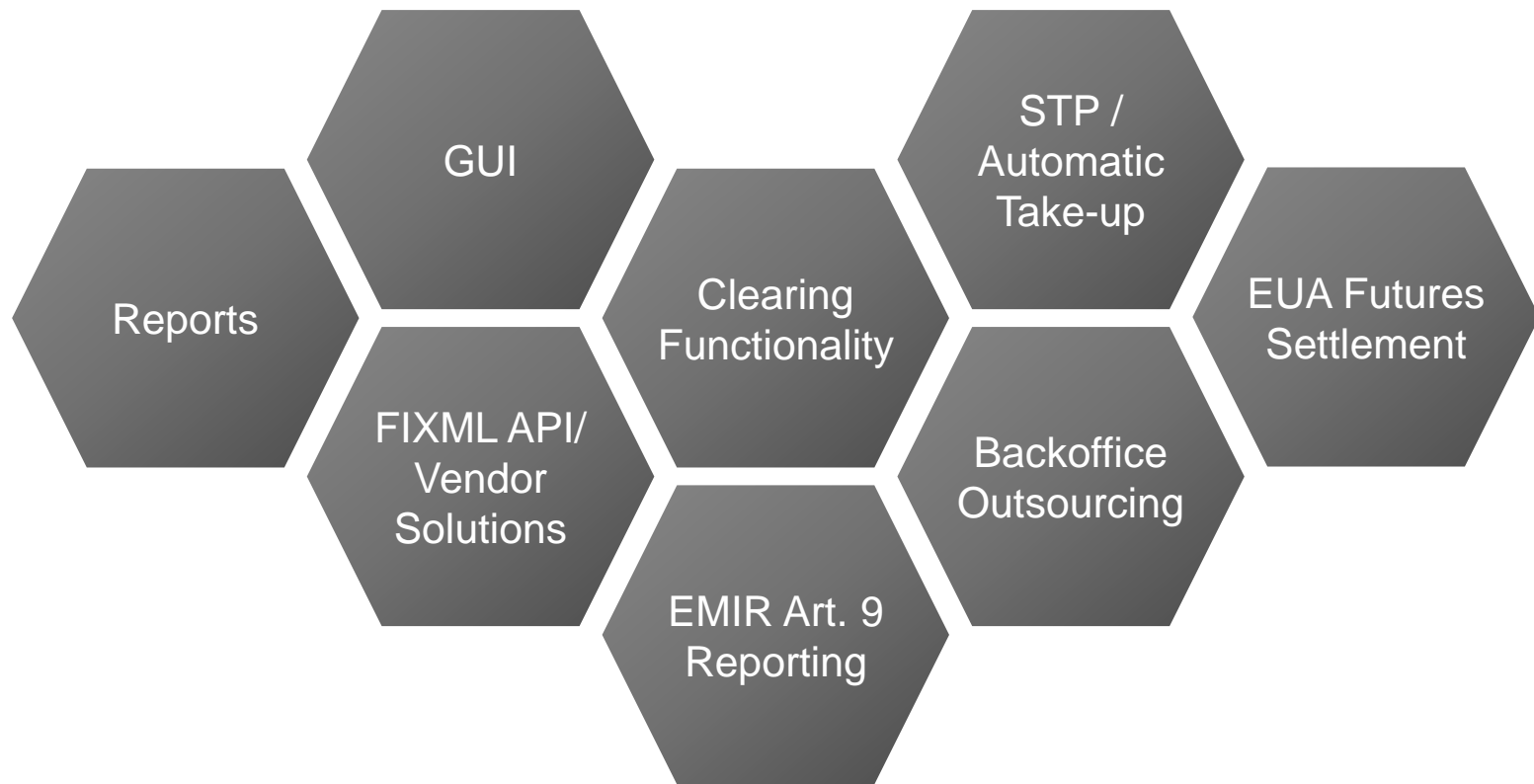
Member Simulation

Migration Timeline

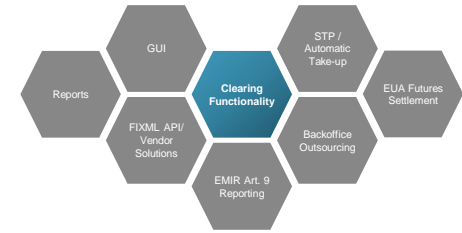
Readiness Checklist

ECC C7 Migration Position & Transaction Management

– Impacted Areas



Clearing Functionality



- No significant impact to existing functionality!
- Clearing service for cascading energy futures is ported to C7
- Simplified, more flexible usage of clearing accounts and workflows
- Possibility of automatic close-out rules for any account
- Common transaction duration (number of business days to adjust the trade after trading) of 2 days across all transaction management functions

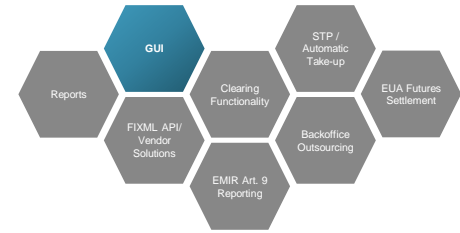
Clearing Operations:

c7@ecc.de

More information:

www.eurexclearing.com > Technology > EUREX C7 > System Documentation > Overview & Functionality

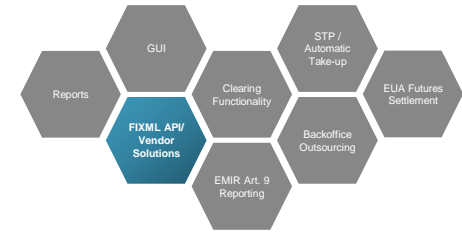
C7 Clearing GUI



- Access via Internet or Leased Line
- Two factor authentication
 - MemberID level security certificate
 - UserID level username and password
- Users have to be explicitly ported to C7
 - Service Administrator: can be used for any self-service user management
 - Clearing Users: with permissions to read or read/write the business information within C7

ECC Member Readiness: memberreadiness@ecc.de / +49 341 24680 - 261
Relevant forms: T01 (Connectivity), T10 (Users)
More information: www.eurexclearing.com > Technology > EUREX C7 > System Documentation > EUREX Clearing GUI

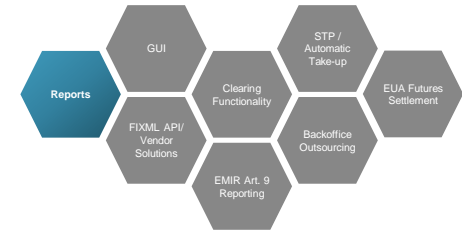
FIXML API / Vendor Solutions



- No changes to connectivity! Same message broker and access credentials
- FIXML message layout has to be adopted to C7 variant instead of legacy EUREX Classic
- Full compatibility with the ECAG variant of FIXML, with the following exceptions
 - The message routing keys “SenderCompld” and “TargetCompld” will/must contain the value “ECC” instead of “ECAG” as the case today
 - The field “lastMkt” in Trade Capture Reports and Allocation Reports will contain the specific MIC of ECCs Partner Exchange as the case today in ECCs EUREX Classic FIXML
 - For on behalf actions the Entering Firm will show “ECC” instead of “ECAG” in broadcast messages

ISV Sales:	alan.lun@eex.com / +44 207 862 7563
Connectivity Service Desk:	technology@eex.com / +49 341 2156 466
Relevant forms:	T01 (Technical Connectivity)
More information:	www.eurexclearing.com > Technology > EUREX C7 > System Documentation > EUREX Clearing Interfaces

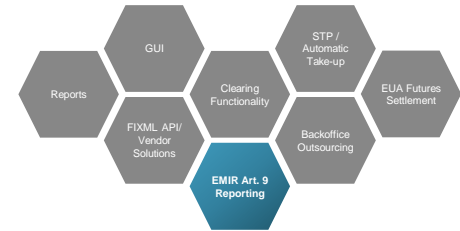
C7 Reporting



- Access via CRE - Common Report Engine (as-is)
- New clearing reports only published in .csv and .xml formats
- Main functional changes
 - Identifiers
 - Flexible Contracts – not relevant for ECC
 - Additional Agent Accounts – technical introduction only
- New report CB013 introduced for ECC incl. Product MIC to identify Partner Exchange
- Several reports concerning transactions and position management consolidated into new CB012 and CB013

ECC Member Readiness: memberreadiness@ecc.de / +49 341 24680 - 261
 Relevant forms: T06 (CRE Setup)
 More information: www.eurexclearing.com > Technology > EUREX C7 > System Documentation > EUREX Reports
 ECC Clearing Circular 56/2018 + upcoming circular

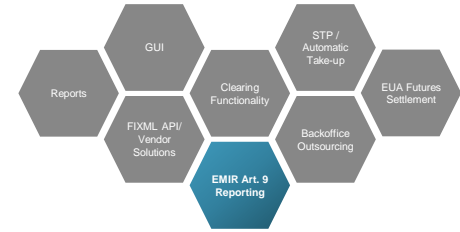
EMIR Art. 9 Reporting (1/2)



- Construction of IDs under EMIR Art. 9 reporting is subject to change
- Changes become effective on reporting day 25 June 2019
- New UTI construction algorithm for positions and transactions based on new data source
- UTI for transactions included in reports CB012 and CB013
- New construction algorithm for Transaction-Reference Number
- Data source for components are CB012 and CB013 report + FIXML Messages
- For members that use the Emir Data Services changes are integrated automatically

Reporting Services Team: reporting-services@eex.com / +49 341 2156-380
More information: www.ecc.de > Risk Management > EMIR > Trade Reporting

EMIR Art. 9 Reporting (2/2)



▪ Sample Trade UTI

E01	XEER	XECC	E	C	000000123456789ABCD	0000000002
Method Id	MIC Trading venue	MIC ECC	UTI type indicator	Clearing Leg indicator	TransactionId	Transaction ID Suffix

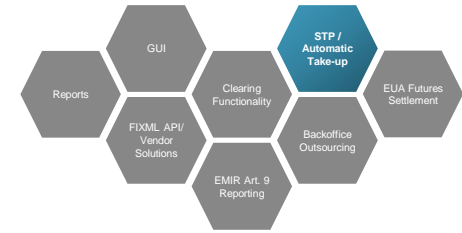
▪ Sample Position UTI

E01	XEER	XECC	P	C	00000000003	000
Method Id	MIC Trading venue	MIC ECC	UTI type indicator	Clearing Leg indicator	PositionId	Version Number

- All details will soon be published via ECC Circular and Website

Reporting Services Team: reporting-services@eex.com / +49 341 2156-380
 More information: www.ecc.de > Risk Management > EMIR > Trade Reporting

STP / Automatic Take-up



- Going forward, C7 will offer middle-office automation for give-up / take-up
- Trades entered into by brokers and given-up to their clients will be subject to automatic take-up by default
- Only white-listed brokers (i.e. approved by member) will be considered for automatic take-ups
- Members can opt out of automatic take-ups using ECC form T08 – generally – or on a per-broker-basis

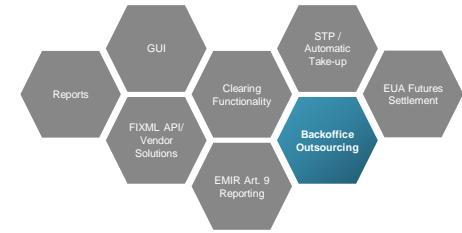
Clearing Operations:

c7@ecc.de

More information:

www.eurexclearing.com > Technology > EUREX C7 > System Documentation > Overview & Functionality

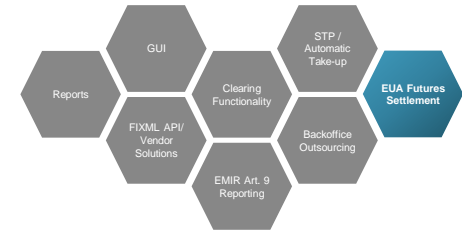
Backoffice Outsourcing



- NCMs Backoffice functionality can be outsourced to the supporting Clearing Member, acting as the Service Provider
- Available via FIXML and C7 Clearing GUI
- Simplified setup
- NCM credentials no longer have to be provided to CM but CM user credentials can be used

ECC Member Readiness: memberreadiness@ecc.de / +49 341 24680 - 261
Relevant forms: T07 (Outsourcing)
More information: www.eurexclearing.com > Technology > EUREX C7 > System Documentation > Overview & Functionality

EUA Futures Settlement



- Payments concerning the settlement of physical EUA futures will be ported to SMSS, like done for Natural Gas Balance of Month (BOM) futures in 12/2018
- Clearing Members and Non-Clearing Members will be able to review the detailed payment instructions as created by the SMSS system and see the total payments effected within the EUREX payment infrastructure as before
- All physical deliveries concerning spot and derivatives products of ECC will thus be handled in SMSS going forward incl. the related payments processing, incl. full netting of payment obligations

Clearing Operations:

c7@ecc.de

More information:

www.eurexclearing.com > Technology > EUREX C7 > System Documentation > Overview & Functionality

Agenda

Background: EEX Group goes T7 and C7

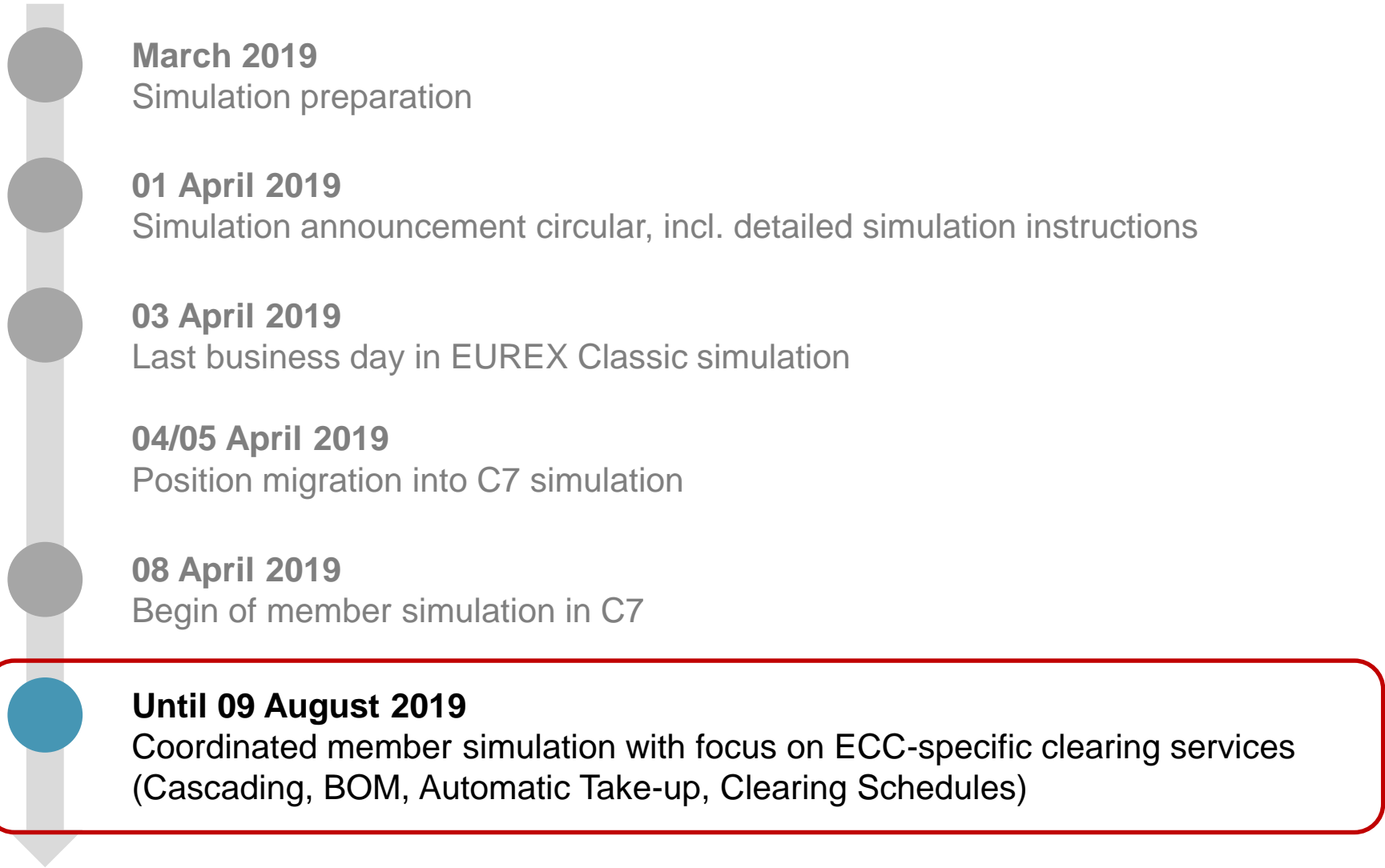
Areas of Impact

Member Simulation

Migration Timeline

Readiness Checklist

Member Simulation Timeline



Agenda

Background: EEX Group goes T7 and C7

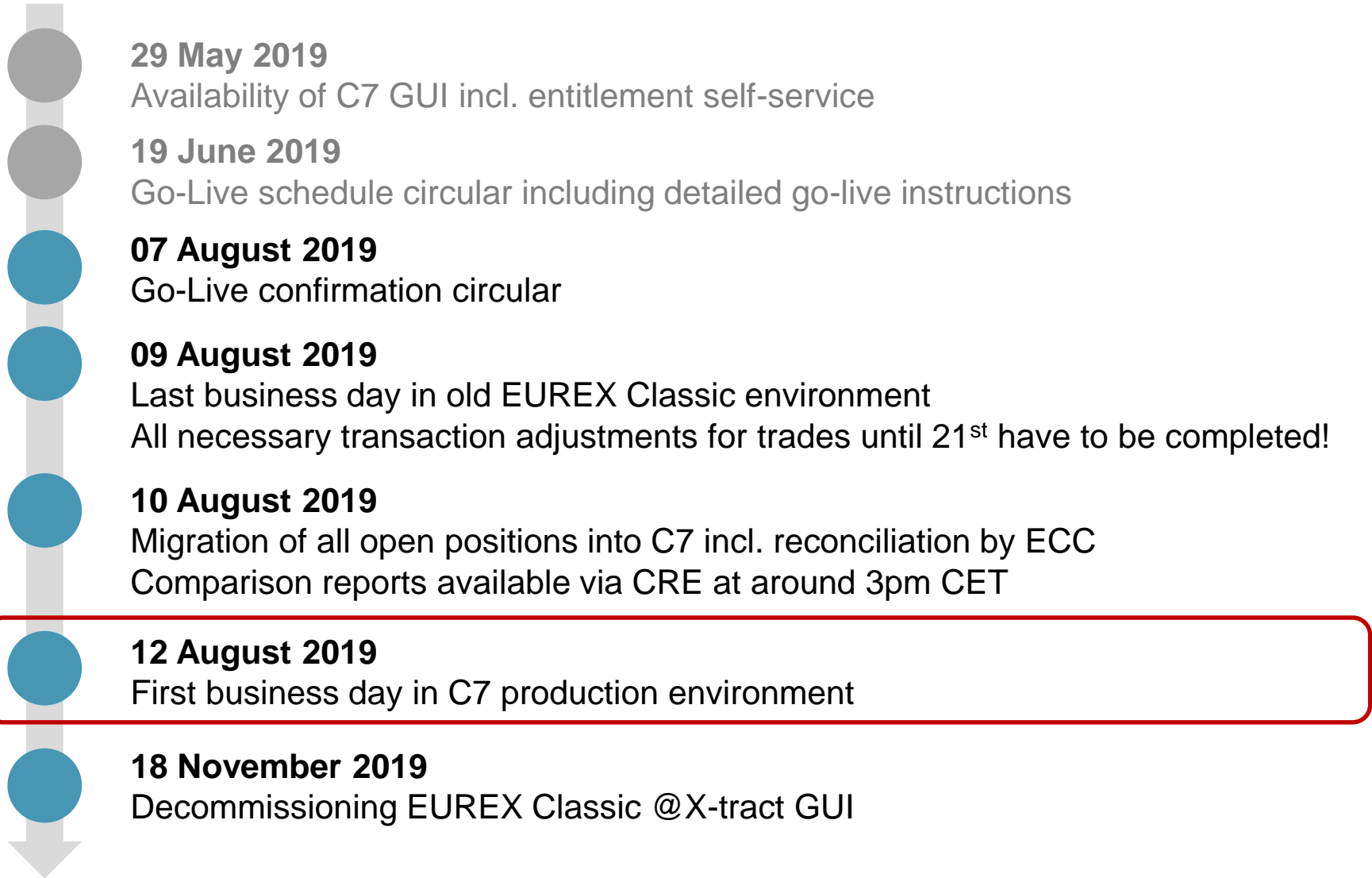
Areas of Impact

Member Simulation

Migration Timeline

Readiness Checklist

Migration Timeline



Agenda

Background: EEX Group goes T7 and C7

Areas of Impact

Member Simulation

Migration Timeline

Readiness Checklist

Readiness checklist

- Access to C7 services via internet or leased-line working
- Member level certificate set up for GUI and/or FIXML usage
- Service Administrators and Clearing Users are set up, entitled, and usable
- FIXML/Vendor solutions: New message layouts + routing keys adopted
- CRE Access functional and changed reports adopted in systems and processes
- EMIR Art. 9 Reporting: UTI construction adapted
- Participation in SIMULATION phase and familiarized with new GUI / reports
- Readiness declaration signed
- If needed: availability on migration weekend to review comparison reports

› eex group

Thank you

› eex › ecc › epexspot › powernext › pegas › pxe › nodal › nodalclear › eexasia › grexel