

C7 Release 11.0 - User Clean-up and automation of EUR Cash Quota processing

Summary

ECC would like to provide detailed information about the introduction of C7 Release 11.0, which is scheduled for **Monday, 18 November 2024**. A simulation environment is already available.

Besides technical compatibility with general changes in participant interfaces (C7 GUI, CRE reports and FIXML), a clean-up of GUI user accounts is planned, which are set up but have been inactive in the last 2 years.

In December 2024 (exact date will be provided separately), ECC is introducing an automated solution for the EUR Cash Quota processing for Cash Collaterals (see ECC Clearing Circular 17/2023). For that purpose, a new Type of Money (ToM) "Quota" will be introduced. In the simulation environment, activation is planned for **29 October 2024**.

The automated Cash Quota processing will be introduced to the End-of-Day collateral evaluation in C7. With the automated solution, the Cash Quota will need to be fulfilled for each collateral pool individually.

Contact

European Commodity Clearing AG
Clearing & Settlement
Phone: +49 341 24680-444
E-mail: clearing@ecc.de

GUI user account clean-up (2nd step)

As already stated in the prior Release announcement for C7 10.1 (see ECC Clearing Circular 04/2024), ECC plans to perform a system clean-up of inactive GUI user accounts.

For security and efficiency reasons, ECC will delete all C7 GUI user accounts that have not been used for more than two years, except for the following:

- All users listed in the “Outsourcing Relationship Overview”
- All users flagged as “Initial User”
- Users which were created in the last 2 years but were not active

Users with role "Service Administrator" and privilege "A001INQ Internal User Inquire" are able to see all users on the C7 GUI at "User Entitlement Maintenance window".

Clearing Members and Non-Clearing Members have been enabled with rights to do the recertification of affected accounts as part of the C7 Release 10.1. All Clearing Members and NCMs with available C7 access should check upfront which accounts are to be deleted.

Deletion of the accounts will become effective with C7 Release 11.0 and take place on **18 November 2024**. In simulation environment, the deletion is processed on **8 October 2024**.

It will be possible to reconcile the user deletion in the report TT760 User Entitlement Status.

Automated Cash Quota processing

ECC simplifies the Cash Quota handling for Clearing Members with the implementation of a new Type of Money (ToM) “Quota”. The new ToM will be implemented technically with the C7 release 11.0 on 18 November 2024. A new valid value "Q" will be used for the "typeOfMoney" field in Clearing reports CD020, CD080, CD100, CD230, CD231, CI720, and CI731.

The cash transaction amounts to meet the permanent cash ratio will be calculated automatically on a daily basis (as part of the End-of-Day) at the collateral pool level. On each collateral pool a cash quota percentage will be applied which each individual collateral pool needs to fulfil.

The new approach will reduce complexity from the currently applied solution, where the Cash Quota is calculated per clearing member. As well, the maintenance efforts are replaced by this automated process.

Within the C7 CMS system, ToM “Quota” will show the current balance of cash collateral for the purpose of covering the current Cash Quota requirements of ECC.

During the End-of-Day process, the system will calculate the new required Cash Quota as

$$\text{Total Margin Requirement of the Collateral Pool} \times \text{Permanent Cash Ratio}$$

After deduction of permanently deposited cash (in ToM “Term”), the system will determine deposit or withdrawal transactions automatically per collateral pool and record with ToM “Quota”.

Clearing Members will be able to see cash collateral positions and transactions within the C7 GUI as well as applicable C7 reports. It will not be possible to enter any transaction in the new ToM “Quota” by the Clearing Members.

The new process will work independently of the collateral pool configuration parameters “Direct Debit” and “Auto Repay”. For collateral pools with Direct Debit flag set to “N” Clearing Members have to expect automated collateral deposit transactions in ToM Quota. For collateral pools with Auto Repay flag set to “N” Clearing Members should note that there will be no automatic refund of collaterals in ToM Own. Any excess of cash collaterals require an active withdrawal transaction in the C7 GUI.

The setup of pool specific attributes can be checked by a Clearing Member user of the C7 system with the entitlement role “Collateral Manager” or “Collateral Manager View”.

Additional information on implementation

Further information on the implementation can be found at

eurex.com/ec-en > Support > Initiatives & Releases > C7 Releases > C7 Release 11.0 > System Documentation

Simulation and Introduction activities

ECC encourages all Clearing Members to review the implementation within the simulation environment. The automated cash quotaprocessing will be activated on 29 October 2024. Results will be available in the End-of-Day reports and C7 GUI from that day onwards.

During activation of the automated cash quota processing, no automatic withdrawal of cash collateral from ToM OWN will take place for pools with Auto Repay flag set to “N” (No automatic repay of excess collateral). For those pools, the affected Clearing Members will need to enter a withdrawal of not required excess collateral actively in the C7 GUI.

Information on Implementation Regulation of ECC

Please note that in accordance with Section 9(3)(d) of the Implementation Regulation of European Commodity Clearing AG concerning technical equipment, a declaration by the Contractual Party stating that the Contractual Party has conducted a Test and the updated Eurex Clearing System interacts with the Participant System and the Participant Software without any errors or malfunctions shall be deemed to have been made, if the Contractual Party either (i) if a Simulation phase of at least 15 Business Days has been offered, commences with the use of the Eurex Clearing System after the implementation of the Release, or (ii) if no such Simulation phase has been offered, fails, within a period of 15 Business Days after the implementation of the Release, to inform ECC about the occurrence of any errors or malfunctions with respect to the interaction of the Participant System and the Participant Software with the Eurex Clearing System.