

## **Eurex Clearing - C7 SCS 3.0**

### **Member Simulation Guide**

Eurex Clearing AG

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**Abstract**

The document illustrates the approach of the C7 SCS 3.0 Member simulation. It describes all simulation guidelines, timelines, plan, processes, requirements, and responsibilities necessary to participate successfully in the C7 SCS 3.0 Member simulation.

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## 1 Introduction

Following C7 SCS Release 1.0 and Release 2.0, where clearing of FWB transactions (MICs: XETR & XFRA), Eurex physical deliveries (MIC: XEUR) and Repo transactions (MIC: XERE) have been migrated to the C7 SCS platform, Eurex Clearing proceeds with the concluding part of Eurex Clearing's strategic roadmap: The migration of clearing for Eurex Derivatives deliveries, resulting in settlement at Euroclear UK & International (EUI), to the C7 SCS architecture. Simulation approach for further enhancements to the current C7 SCS system, such as Functional Shaping and enhancement of TIN setup is described as well in the following document.

The timeline for C7 SCS Release 3.0, is as follows:

- Start of Simulation: October 4<sup>th</sup>, 2023
- Start of Production: November 20<sup>th</sup>, 2023
- Start for Production of Settlement via EUI/CREST for new trades: November 27<sup>th</sup>, 2023

This document is structured as follows:

**Chapter 2** focuses on the approach of the C7 SCS 3.0 simulation with its simulation objectives, timelines, and the target group of this document.

**Chapter 3** describes the Simulation Execution including test cases preparation and execution of the Functional Shaping, TIN Enhancement, CREST Migration activities, and requirements towards members as well as adapted changed of reporting.

**Chapter 4** illustrates required technical, functional preparation for the member data set-up requirements, and member readiness statement.

**Chapter 5** gives a description of the C7 SCS 3.0 simulation availability with related documentation, support contacts, and list of available instruments.



## 2 Simulation Approach

As a final migration step from Securities CCP to C7 SCS the processing of all Eurex deliveries in UK and Irish securities subject to settlement at EUJ/CREST are now being offered via C7 SCS with this Release 3.0 as well as the introduction of Functional Shaping for high volume physical deliveries resulting from Eurex Derivatives business, and the enhancement of the Italian TIN setup.

In order to participate in C7 SCS 3.0 simulation successfully, members need to be able to access the C7 SCS member reports via the Common Report Engine (CRE). They need to confirm their member readiness for this release. The C7 SCS 3.0 simulation is an open or “free-style” simulation. As such, simulation participants can define and perform their own internal simulation scenarios as appropriate for the new functionalities of the system. For this, members will find an overview of scenarios which are strongly recommended to be focused on in order to test specific C7 SCS functionalities. C7 SCS members may participate during exchange simulation times, and as no technical connection to the C7 SCS core system is required, logon tests to C7 SCS are not relevant. It is strongly recommended to participate in the full scope of simulation. Functional and technical support will be staged during the helpdesk opening hours each simulation working day. Please refer to Chapter 5.2 “Support” for further details.

### 2.1 Simulation Objectives

The purpose of the simulation is to provide an opportunity for members to become familiar with the new C7 SCS services, functionalities and to test business procedures in preparation for the launch of C7 SCS 3.0 as a last step of the replacement for the Securities CCP system.

Active participation in the simulation is strongly recommended. Early and frequent participation of all, Clearing Members (CM), Settlement Institutions (SI) and Trading Members (TM) facilitates the identification and solution of potential issues with respect to software, infrastructure, business or system operations before production launch.

### 2.2 Target Group

This document serves as a guide for all Clearing Members, Settlement Institutions and Trading Members (through their CMs) participating in the simulation as well as all users of the system.

Participation of all Clearing Members and Settlement Institutions in the simulation is strongly recommended. In case CMs or SIs are using Service Providers for their internal support, it is strongly recommended as well to include also those Service Providers into the simulation activities.

The following internal departments of participating member organizations should be involved:

- Trading for the generation of trades in the Trading Location in Eurex (XEUR) and FWB (XETR/XFRA)
- Clearing, Settlement and other relevant middle-/back-office functions
- IT Infrastructure and Environment Operations

- Internal Organization and Process Management
- Risk Management
- Legal department

## 2.3 Simulation Timelines

The C7 SCS 3.0-member simulation to test all functionalities of the C7 SCS system is scheduled to start on October 4<sup>th</sup>, 2023. Frozen zones or interruptions in-between can take place but will be communicated upfront. Table 1 provides an overview of C7 SCS 3.0 key events:

Date	Event
15.09. – 04.10.2023	Frozen zone for changes affecting EUI/CREST Settlement Account Setup
15.09. – 28.09.2023	EUI/CREST Reference Data migration - EUI/CREST settlement setup will be set-in simulation as a 'mirror from production', no activities required on member side. Cash account set up for EUI/CREST accounts will not be migrated as it is not in use. C7 SCS is performing Gross processing.
04.10.2023	Start of member simulation (1 <sup>st</sup> business day). Start of trade processing with simulated settlement feedback.
Until 09.10.2023	Members to provide forms for TIN setup, if they want to test the new TIN setup
10.10. – 18.11.2023	Standard C7 SCS ETE connection to CBF Simulation
23.10. – 27.10.2023 06.11. – 10.11.2023	C7 SCS ETE Focus weeks with CBF for TIN Enhancement and Functional Shaping with selected Instruments
Until 27.10.2023	Members to ensure their simulation setup in Euroclear UK and International (connectivity/GUI/reporting). Please approach the Euroclear UK and International contact directly provided in chapter 5.2.
30.10 - 10.11.2023	C7 SCS ETE Focus weeks with EUI/CREST with selected Instruments
<b>Production milestones:</b>	
13.11.2023	Due date for member readiness statements for production.
20.11.2023	Production Launch of C7 SCS 3.0.
27.11.2023	Production Launch for trades with settlement via EUI/CREST

Table 1: Overview of C7 SCS 3.0 key events

Table 2 provides an overview of the participating (I)CSDs with their simulation environments, and their availability during the C7 SCS 3.0 simulation:

Participating (I)CSDs	End-to-End connection Availability	Approach during Downtime
CBF	Entire simulation period	CBF Simulation will be connected: <ul style="list-style-type: none"> <li>• from 21.09.to.09.10.2023 with Simulator</li> <li>• from 10.10. to 18.10.2023 with ETE connection.</li> </ul> Details on test cases offered to members with CBF are described in Chapter 3.

Participating (I)CSDs	End-to-End connection Availability	Approach during Downtime
CBL	Not planned	CBL (I)CSD Clearstream Luxembourg) will not be connected for ETE member simulation, the settlement feedback will be generated via Simulator.
EUI/CREST	During the focus weeks	EUI/Crest (Euroclear UK & Ireland) will only be connected during the Focus weeks from 30.10.23 - 10.11.23 for ETE member simulation, on all other business days the ICSD settlement feedback will be generated via Simulator..
EB	Not planned	EB (Euroclear Bank) will not be connected for ETE member simulation, the settlement feedback will be generated via Simulator. Not in scope for C7 SCS 3.0.
SIS	Not planned	SIS (SEGA Intersettle) will not be connected for ETE member simulation, the settlement feedback will be generated via Simulator. Not in scope for C7 SCS 3.0.

Table 2: Overview of (I)CSDs participating in C7 SCS 3.0-member simulation

It is recommended that all members adhere to the published simulation timetables in this document for the simulation execution. This will contribute to a smooth and effective simulation period and a successful production launch for all market participants. Please ensure that this document is communicated as soon as possible to your project teams and to line organizations, where applicable. Before the start of simulation, all parties involved should be aware of their tasks and the existing dependencies with other participants.

### 2.3.1 Overview of Simulation Timelines

Table 3 provides an overview of the timelines for the simulation. Member simulation starts on October 4<sup>th</sup>, 2023 and will be available for members also after the introduction of C7 SCS 3.0 in production. An overview of the timelines for the simulation is provided in Table 3 below. For participation with Functional shaping and TIN Enhancement testing in Futures with Bond deliveries via C7 SCS, it is mandatory to create positions prior the expiry dates on the respective Eurex product.

C7 SCS Simulation	Date	August				September				October					November			
		7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27
Frozen zone for EUI/CREST setup	15.09.23 - 04.10.23																	
Reference Data Migration	15.09.23 - 30.09.23																	
Member Simulation Start	04.10.23																	
Member Simulation	04.10.23 - 18.11.23 (Ongoing)																	
First Focus Week: TIN Enhancement & Functional Shaping	23.10.23 - 27.10.23																	
Second Focus Week: TIN Enhancement & Functional Shaping	06.11.23 - 10.11.23																	
Focus Weeks: EUI/CREST	30.10.23 - 10.11.23																	
Billing Fee Report Simulation	23.10.23 - 17.11.23																	

CBF ETE Connection	09.10.23 - Ongoing																
EUI/CREST ETE Connection	30.10.23 - 10.11.23																
Other (I)CSDs Connections via Simulator only	Ongoing																

Table 3: C7 SCS 3.0 Simulation Timelines

In addition, the Production timelines are shown in table 4:

C7 SCS Production	Date	August				September				October					November			
		7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27
Member Readiness Statement	13.11.2023																	
Production Launch	20.11.2023																	
Production Launch EUI/CREST	27.11.2023																	

Table 4: C7 SCS 3.0 Production Timelines

### 3 Simulation Execution

The processing of all Eurex deliveries in UK and Irish securities subject to settlement at EU/CREST via the Securities CCP system are being replaced by the new C7 SCS system.

In addition, Members have the possibility to test the enhancement of Italian TIN setup and the introduction of Functional Shaping for “high volume” deliveries and structure change of Net Clearing report XEUR / Net Clearing Report – XETR and XFRA. For the member simulation of C7 SCS 3.0, Eurex Clearing will involve CBF, CBF connected ECB as operator of the T2S simulation system as well as EU/CREST. Test cases will be offered either in alignment with (I)CSDs or by using a (I)CSD settlement simulator in order to support members to get familiar with:

- Eurex deliveries with settlement in EU/CREST
- TIN Enhancement (Italian Tax)
- Functional Shaping
- Reporting

The selection of appropriate instruments for those tests, timeline, necessary preparations, and other tasks will be communicated within this document or be published in due times before the start of simulation. The ISINs of the relevant financial instruments for each test case will be communicated throughout this document and latest ahead of the execution of respective test case. For a more detailed description of the new functionalities and reporting of C7 SCS, please refer to the “C7 SCS 3.0 - Release Notes” and the updated version available in August, which is available on the Eurex Clearing website via the following path:

[www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) > Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Releases 3.0 -> please select under “**Overview and Functionality**”.

For all test cases mentioned in this section flexible planning during the offered Test window from 04.10. until 18.11.2023 is possible. As not all the described Test scenarios can be offered with a (I)CSD connection some of them will be executed with an (I)CSD simulator. The information about the availability of the (I)CSD connection to C7 SCS is provided in the test case description. During the tests with no ETE availability of (I)CSDs in C7 SCS Simulation, participating members will not receive any (I)CSD reporting.

#### 3.1 Preparation for Testcases with Bonds delivery

Following early preparation activities are mandatory for the participation on the testing of TIN Enhancement and Functional Shaping with Bond deliveries out of Eurex with ETE Settlement in CBF. Additional expiry dates for the Eurex products FBTM, FBTS and FBGX will be offered in October and November. Details will also be provided via Newsflash.

Before the expiry dates of the respective Eurex products (see table 4), positions must be created in FBTM OCT 2023, FBTS NOV 2023 or FGBX OCT 2023 in T7 simulation environment for at least X lots (a 100.000 € -> see the shaping limits), to achieve a delivery instruction, which undergo shaping.

Please find selected Bonds delivery Instruments in Table 4:

Product	U/L ISIN	Name	Currency	Expiry date	Settlement day
FBTM OCT 2023	IT0004889033	Italian, Republic 4,75% 13/28	EUR	24.10.2023	26.10.2023
FBTS NOV 2023	IT0005170839	Italian, Republic 1,6% 16/26	EUR	02.11.2023	08.11.2023
FGBX OCT 2023	DE0001102481	Deutschland, Bundesrepublik 0000% 19/50	EUR	24.10.2023	26.10.2023

Table 5: Preparation for Testcases with Bonds delivery

#### Important Information for the test execution:

- During the downtime of the T7 Simulation from 28.08. till 10.09.2023 (CW35 and 36), trades cannot be entered.
- The Simulation environment is not usable for high volume or performance tests during the C7 SCS 3.0 simulation. The value of positions is limited to 1bn for bonds. Members must assure not to exceed the limit of positions in order to avoid the creation of hundreds of shaped deliveries.

### 3.2 Functional Shaping

Eurex Clearing will introduce Functional Shaping to limit the quantity of securities for which settlement has failed. When customers have obligations to deliver high volumes of securities, Functional Shaping will prevent failed delivery due to lack of cash on buyer's side or lack of securities in CSDs. The introduction of Functional Shaping will not replace partial settlement, but it is rather introduced for liquidity management reasons. Functional Shaping is the process by which a large delivery obligation is broken down into multiple smaller delivery instructions. C7 SCS system will create several delivery obligations related to the Net Position Trade and provide it as delivery instructions to (I)CSDs, which reduces the risk of failure of the total amount of the Net Position Trade. The Functional Shaping for XEUR will automatically apply for high volume deliveries as an additional safeguard against lack of cash, as partial settlement can be triggered in case of lack of securities only. XEUR deliveries settling at EU1 will not be shaped. For FWB transactions, Functional Shaping will also not be supported, but the structure of Net Clearing Report –XETR and XFRA will be adapted and must be tested. The test for Functional Shaping in C7 SCS Release 3.0 simulation will be offered using decreased parameters for shaping level, so even middle-sized amount for delivery becomes subject to shaping. The test will prove the enabled processing of settlement information between more than one delivery instruction out of one single C7 SCS Net Position Trade provided in C7 SCS Net Clearing Report (for more information refer to C7 SCS 3.0 Release Notes document).

### 3.2.1 Preparation of Test cases

During the Focus weeks from 23.10. until 27.10.2023 (CW43), and from 06.11. until 10.11.2023 (CW45) Eurex Fixed Income derivative will be available for Functional Shaping with ETE Test with settlement in CBF. For the participation during Focus weeks, it is mandatory to create positions before the expiry dates of the Eurex products as described in [chapter 3.1](#).

- 1<sup>st</sup> run FBTM and FGBX on CW 43
- 2<sup>nd</sup> run FBTS on CW 45

Product	U/L ISIN	Name	Curr	Expiry date	Settlement day	Shaping parameter
FBTM OCT 2023	IT0004889033	Italian, Republic 4,75% 13/28	EUR	24.10.2023	26.10.2023	200 m
FBTS NOV 2023	IT0005170839	Italian, Republic 1,6% 16/26	EUR	02.11.2023	08.11.2023	200 m
FGBX OCT 2023	DE0001102481	Deutschland, Bundesrepublik 0000% 19/50	EUR	24.10.2023	26.10.2023	200 m

Table 6: Eurex Bonds for ETE 'Functional Shaping' Focus weeks

Eurex Equities for Functional Shaping Test are specified in the Table 6, are available for ETE testing during the Focus weeks CW43 and CW45.

Product	Name	Curr	ProdTyp	Product ISIN	U/L ISIN	Shaping parameter
DBK	OPT ON DEUTSCHE BANK AG	EUR	OSTK	DE0005140008	DE0005140008	10 m
RWE	OPT ON RWE AG -ST	EUR	OSTK	DE0007037129	DE0007037129	100,000
AFR	OPT ON AIR FRANCE-KLM	EUR	OSTK	FR0000031122	FR0000031122	10 m

Table 7: Eurex Equities for ETE 'Functional Shaping' Focus weeks

Outside the Focus weeks, the options contracts can be used for Functional Shaping testing during the whole simulation period. For DBK and AFR positions are limited to 1bn, for RWE members must assure not to exceed 500k.

### 3.3 TIN Enhancement

To better reflect Italian TIN requirements for settlement at (I)CSD, Eurex Clearing will enhance the TIN setup with C7 SCS Release 3.0. Trading participants willing to use dedicated position accounts in Eurex system to segregate the Italian bonds delivery for its non-disclosed customers, will now be able to assign a customer's TIN on agency account level via existing "Taxpayer Identification Number" form. The taxation identification will be provided within the delivery instruction to Clearstream Banking Frankfurt as for current processing. The new setup will enable members to distinguish their clients' TINs by segregating positions via position account. Members will be enabled to assign a dedicated TIN per client. Member will be able to:

- Assign a TIN on position account, additionally of the TIN setting on member level.
- The TIN can be provided on account type level (e.g., "A1") – either across all position accounts or for dedicated position accounts.

- The TIN on position account level will have a higher priority when defining the TIN for the delivery instructions (for more information refer to C7 SCS 3.0 Release Notes Document).

### 3.3.1 Preparation of Test cases

The test scenario is based on C7 positions prepared before the expiry date in FBTM OCT 2023 or FBTS NOV 2023 (expiry on 24.10.2023 and 02.11.2023) in T7 simulation environment for an agency position (i.e., A2). Before the delivery on focus day a customer has to finalize the CBF setup for the test settlement account / TIN and provide the related information via forms until October 9<sup>th</sup>, 2023, to Eurex Clearing. In case for the agency position account customer provided, a certified settlement account and the CBF setup has been accomplished, the ETE test with CBF is possible with products (Table 7).

Product	U/L ISIN	Name	Expiry Date	Settlement day
FBTM	IT0004889033	Italian, Republic 4,75% 13/28	24.10.2023	26.10.2023
FBTS	IT0005170839	Italian, Republic 1,6% 16/26	02.11.2023	08.11.2023

Table 8: Italian Bonds for ETE 'TIN Enhancement' Focus days

Test scenarios available for Italian Bonds (TIN) for agency position accounts in October and November 2023:

- 1st run with FBTM on CW43 (3 batch days from 24.10. until 26.10.2023)
- 2nd run with FBTS on CW45 (3 batch days from 07.11. to 09.11.2023)

### 3.4 EU/CREST

Eurex Clearing AG's strategic roadmap stipulates the decommissioning of systems in the old architecture having Securities CCP as an OpenVMS. As part of this roadmap, services provided by the Securities CCP system have been defined to be migrated to the C7 architecture in a stepwise approach. The current setup for trades flow from trading venues towards settlement location looks as follows:



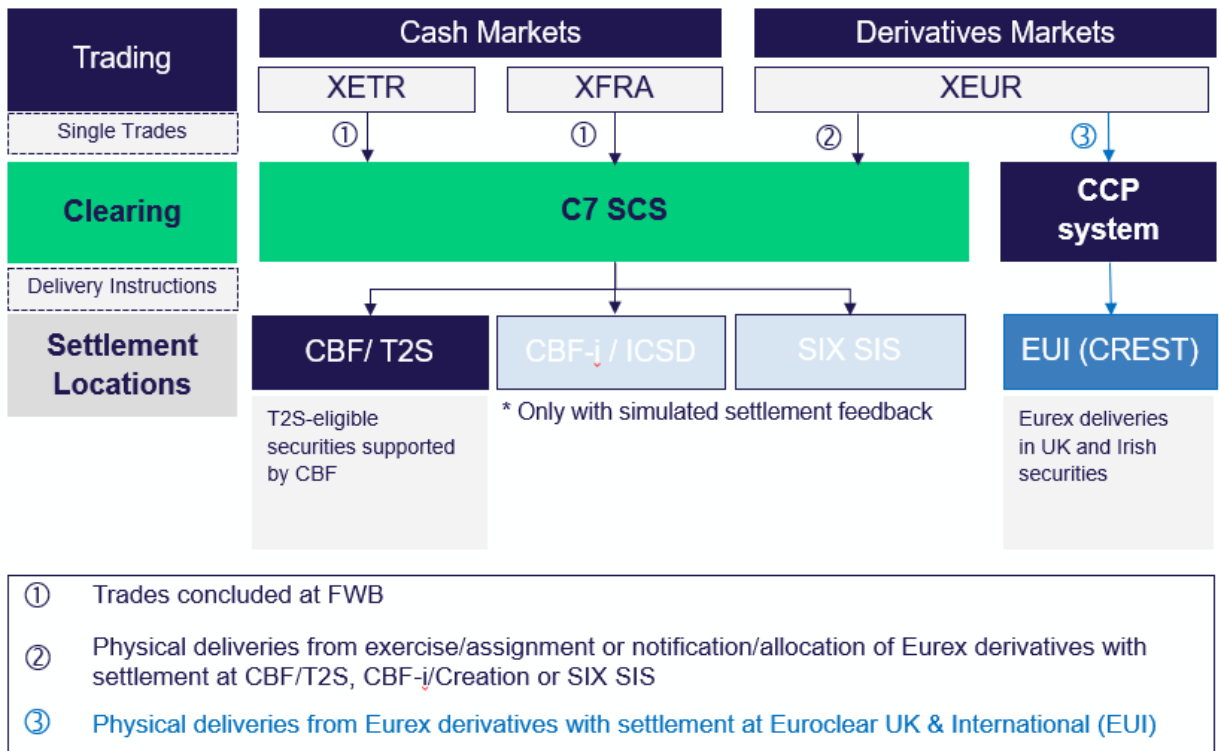


Figure 1: Current setup of EUI/CREST process in Securities CCP

After the migration flow for trades, the setup change will be as follows:

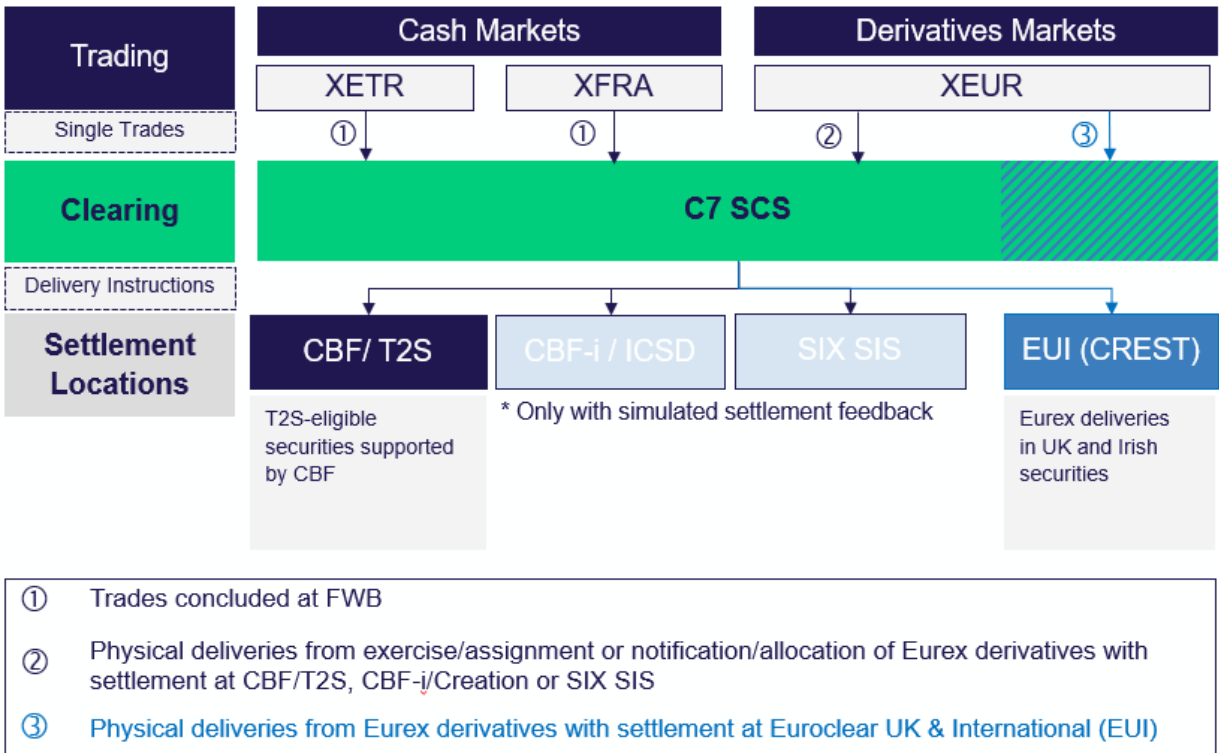


Figure 2: New setup of EUI /CREST process in C7 SCS

The approach for the EUI migration of business is an “as-is” functionality from the current Securities CCP to C7 SCS architecture as following:

- Current functional processing of EUR, GBX and USD trades in Securities CCP will be maintained in C7 SCS.
- Current “Gross based” processing will be continued
- No changes to the Euroclear UK & International setup will be done. The established settlement location code “CCO” is kept in order to minimize impacts to C7 SCS downstream systems and in member systems.
- In line with C7 SCS Releases 1.0 and 2.0, no Securities Clearing GUI for members will be available. The Securities Clearing GUI will be discontinued after introduction of C7 SCS Release 3.0.
- With the migration, EUI relevant content is also available on C7 SCS reports. EUI relevant trades, traded post migration, are available in C7 SCS reports only. Securities CCP reports will only provide information of any pending trades before migration.
- No pending trades will be migrated from Securities CCP to C7 SCS

For more detailed information follow the updated C7 SCS R3.0 Release Notes, which is planned to be published in August 2023.

### 3.4.1 Preparation of Test cases

Two Focus weeks are offered on 30.10. – 10.11.2023 (CW44 and 45) for ETE Testing with Settlement in EUI/ CREST. The selected Options contracts in Eurex Simulation listed in the Table 8 will be supported during the Focus weeks. Please be aware of mandatory preparation tasks described in chapter 3.4.2.

Product	Name	Currency	Type	Product ISIN	U/L ISIN
HSBC	OPT ON HSBC	GBX	OSTK	DE000A2QC909	GB0005405286
IGLN	OPT ON ISHARES PHYSICAL GOLD	USD	OSTK	IE00B4ND3602	IE00B4ND3602
SCB	OPTION ON STANDARD CHARTERED	GBX	OSTK	GB0004082847	GB0004082847
BIR	OPT ON BANK OF IRELAND	EUR	OSTK	IE00BYSZ9G33	IE00BYSZ9G33

Table 9: Equities for ETE Focus days with EUI/CREST

Outside the Focus weeks, the instruments can be used for testing EUI/CREST Settlement via ICSD Simulator during the whole simulation period between 04.10. and 29.10.2023. Members can check the reporting from C7 SCS (including CREST reference, which is generated by the simulator). so that all members should be able to provide a Readiness Statement by 13.11.2023. There will be no settlement reporting from CREST and the C7 SCS reporting will not contain any (I)CSD information.

### 3.4.2 Requirements towards members

For the participation on the Focus weeks with ETE Testing with EUI, the requirements are the following:

- Members need to ensure the test setup directly with EUI/CREST until 27.10.2023 if they want to use the EUI GUI (to set-up message subscription, view transactions etc.)
- Members may subscribe to different messages from EUI e.g.
  - MT578: to be informed about a new instruction
  - MT544-8: for status updates and settlement
- EUI EoD reporting is available, subscription is required by members
- EUI forms and test requirements for the client access to the EUI test environment must be requested by the EUI Client Testing Team at Euroclear UK & International Ltd contacts are provided in Chapter 5.2.

**For any support regarding the EUI test environment the EUI Test team must be contacted, for details see [Chapter 5.2](#).**

### 3.4.3 Reporting

#### 3.4.3.1 Fee Reporting Selection

Due to Securities CCP decommissioning the fee reports will be adapted. The changes will be related to the structure of the reports CB225, CB320, CB325 and CB350 and will be available in Simulation during a limited timeframe between 23.10.2023 and 17.11.2023. Detailed report information is provided in the “Eurex Clearing - C7 XML Reports Reference Manual” and Reports Modification Notes for C7 Release 10.0 on the Eurex Clearing website. Details can be found in the C7 10.0 documents “Eurex Clearing XML Reports – Reference Manual v.10.0.” and “Eurex Clearing XML Reports – Modification Notes v.10.0.” available for download on Eurex Clearing website [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) under the following path: **Support > Initiatives & Releases > C7 Releases > C7 Release 10.0 > System Documentation > Reports**

The following fee reports are not generated automatically and should be requested by the members:

Report ID	Report Name
CB225	Daily Eurex Fines
CB235	Daily Security Collateral Fee Statement
CB236	Daily Security Collateral Coverage
CB237	Daily Concentration Add-On Fee
CB315	Daily Clearing Fees - Repo
CB320	Daily Clearing Fees
CB325	Daily Service Fees
CB350	Monthly Fee Statement

Table 10: Simulation Fee Report Overview

### **3.5 Information for Member testing in Simulation**

During the ETE connection with (I)CSDs in simulation which will be possible with the (I)CSDs CBF and EUI/CREST, the participating members will receive the C7 SCS reporting including the (I)CSD settlement feedback. In case the participants have subscribed for the (I)CSD reporting with the respective (I)CSD, reports will also be provided directly by the (I)CSD. For that reason, participating members can expect their individual reporting from the participating and connected (I)CSD as well. The C7 SCS ETE connection with (I)CSDs might temporarily require to be switch back to the use of the simulator. This might be needed, due to potential downtimes of the participating and connected (I)CSD.

#### **Note on performance tests for member simulation with connected (I)CSD:**

High volume or performance tests during the C7 SCS 3.0 simulation are not planned. Please refrain from performing high volume or performance tests in C7 SCS simulation without the consent of Eurex Clearing.

#### **3.5.1 Specifics for C7 SCS 3.0 simulation with CBF during member simulation:**

Due to dependencies on the T2S simulation environment (UTEST) the number of pending instructions in simulation should be minimized by each participating member. This might of course not be valid in case certain pending instructions are required for the execution of specific test cases. All members are encouraged to reduce their pending instructions for example by providing sufficient cash or holdings, so that trades can be settled or by switching the status of a settlement instruction from “Hold” to “Released” for the full amount of the trade.

#### **3.5.2 C7 SCS project view Simulation Calendar**

For the simulation of C7 SCS the project view Simulation Calendar and Holiday Calendar are used. All Simulation Calendars of the connected environments are aligned to guarantee the services and functionalities on all batch days. The Simulation Calendar will be released and published in July 2023:

[www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) > **Eurex Clearing > Support > Initiatives & Releases > Simulation calendar**

## **4 Member Preparations**

Members are advised to make use of the entire preparation period, in order to ensure successful participation in the C7 SCS simulation.

This Chapter describes the simulation preparation tasks to be done by Clearing Members, Settlement Institutions and Trading Members. The simulation preparation tasks are divided into four sections. Chapter 4.1 describes technical preparations while Chapter 4.2 displays functional preparations. Chapter 4.3 “Member Data Set-up” mentions the necessary data for member set-up in C7 SCS 3.0 simulation. Finally details about the “Member Readiness Statement” are provided in Chapter 4.4.

### **4.1 Technical Preparation**

With the start of C7 SCS 3.0 Clearing Members do not need any direct connection between their own systems and the C7 SCS application. Reports that are provided to all Clearing Members, Settlement Institutions and their Trading Members are provided on the Common Report Engine (CRE) of DBAG. Members can reach their individual reports in the standard Securities CCP directory as they are already used to for the Eurex Clearing Securities CCP system. No additional certificates or connecting activities are required here for C7 SCS.

#### **4.1.1 Technical Connection**

Clearing Members, Settlement Institutions and Trading Members are requested to verify their new or existing connections to the simulation environments of the relevant systems – C7 SCS, C7, CBF, EUI, and T7 interface as a trade entry. Members are encouraged to verify the availability of all applications used in the simulation and to verify, that all required users are set up and access is granted to them.

### **4.2 Functional Preparation**

#### **4.2.1 Functional Preparations C7 SCS**

Clearing Members' functional preparation should include the setup of the back office, staff training as well as the conclusion of arrangements with affiliated members, if applicable. Clearing Members planning to participate in the simulation should verify their individual setup/clearing relationship and inform Eurex Clearing of any changes that may be required prior to the start of the simulation. All participants planning to utilize the new functionalities in production should participate in the member simulation. The introduction of the new C7 SCS 3.0 may lead to new and/or altered back-office processes. Clearing Members are encouraged to complete the adaptations (e.g., staff training and IT applications updates) prior to the start of the simulation period. This will ensure the seamless integration of the new and enhanced clearing and settlement functionality into the existing back-office environment. Participants are also encouraged to set up an internal issue management process. The new functionalities of C7 SCS 3.0 in detail in the current “C7 SCS 3.0 - Release Notes” and the updated version available in August, which can be found in the Member Section of Eurex Clearings website via the following path:

[www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) > **Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Releases 3.0 -> please select under “Overview and Functionality**

#### **4.2.2 Settlement Account & Cash Account for Settlement**

Settlement Accounts and cash accounts for CCP cash payments are required at the (I)CSDs like in production. When CBF is connected to C7 SCS 3.0 simulation, sufficient cash and securities holdings on these accounts are necessary. Customer willing to test their EUI/CREST infrastructure have to ensure sufficient coverage in cash and securities as well.

Settlement Agents are encouraged to check their message subscription for settlement reporting and custody reporting at the (I)CSD for their Settlement Accounts.

Settlement Agents are encouraged to check their connectivity to T2S and (I)CSD with the access to T2S and (I)CSD application, incl. GUIs. It is recommended to align with the relevant (I)CSD in time in case connection tests are required before the start of simulation.

#### **4.2.3 Trading Location**

To ensure the effective participation in the C7 SCS 3.0 simulation and the offered focus days it is advised to verify access to the following Trading Location:

- Eurex derivative T7 system with MIC: XEUR
- FWB T7 system with MICs: XETR/XFRA
- Eurex C7 (for Clearing)

This includes test accounts, traders and their access to the instruments, which members can use for their test cases in the offered Focus weeks.

### **4.3 Member Data Set-up**

As the Clearing services for trades with settlement in EUI/CREST will be fully migrated from Securities CCP system to C7 SCS, involvement of all existing EUI/CREST participants in C7 SCS simulation is strongly recommended.

All existing EUI/CREST participants will be automatically set up in the C7 SCS system and the relevant data will be migrated automatically as well. The Settlement accounts required for settlement in EUI/CREST will also be set-up. The settlement accounts will be set-in simulation as a ‘mirror from production’. Clearing Members, not acting as Trading Participants themselves, must ensure that their simulation activities are fully supported by a connected Trading Participant. If the Clearing Member uses a Settlement Institution appropriate support is required by this third party. TIN setup required from members to test the Enhanced TIN functionality; the setup forms must be provided until October 9<sup>th</sup>, 2023.

#### **4.4 Member Readiness Statement**

According to §10 (3) (ii) of the General Terms and Conditions to the Agreement on Technical Connection to the Clearing Electronic Data Processing (EDP) of Eurex Clearing AG, Clearing Members are obliged to provide Eurex Clearing prior to the first use of the service of Eurex Clearing's C7 SCS in production with a written statement confirming that (a) the service of Eurex Clearing's C7 SCS successfully passed internal test procedures based on each members' own defined test cases, and (b) the participant system and the participant software interact with the service of Eurex Clearing's C7 SCS without any errors or interruptions (Readiness Statement via online questionnaire).

Member readiness statements are expected to be provided to C7 SCS till **13.11.2023**, one week prior the effective launch date of C7 SCS 3.0.

## 5 Simulation Availability

### Simulation Calendar

The C7 SCS 3.0 simulation will be available from 04.10.2023 for member testing and supported through the entire simulation period. The Simulation Calendar is also being published on the Eurex Clearing website under the path:

[www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) > **Support > Initiatives & Releases > Simulation calendar for securities Clearing**

### Simulation Availability

In general, three batch days a week will be performed. Please consult the C7 SCS Simulation Calendar for details on batch days per week. On all batch days nighttime processing will take place.

On batch days the simulation systems will close earlier than in production. This is in order to avoid any possible impact on the end-of-day processing operations of the production system. The C7 SCS simulation starts at 08:30 CET and the C7 SCS online end is scheduled for 16:30 CET. The batch day structure in simulation is described later in this Chapter.

### Participating Systems

A simulation cycle (either an end-to-end process or with (I)CSD Simulator) begins with the entering of orders into the Trading Location and finishes with the settlement of the trades/Delivery Instructions and the provisioning of the related reports. From a technical point of view, these processes will incorporate the applications listed below:

System	Short Description
C7 SCS	Central Counterparty system (Delivery Management, cash management, Trade Day Netting (TDN), report and data dissemination and update of Corporate Action Processing by the (I)CSDs in the C7 SCS Reporting)
C7	Eurex Clearing's clearing system
T7	Trading system of Deutsche Börse Group
CBF	Central Security Depository systems (settlement, delivery management, Corporate Action Processing, collateral management etc.) CBF operated systems will run on simulation environment IMS23



System	Short Description
CBL	Central Security Depository systems (settlement, delivery management, Corporate Action Processing, collateral management etc.) CBL operated systems will run via Simulator with simulated settlement feedback
EB	Euroclear Bank (settlement, delivery management, Corporate Action Processing, collateral management etc.) EB will run via Simulator with a simulated settlement feedback
PRISMA	Position based margining calculation (risk position determination, necessary margin requirement calculation, etc.)
StatistiX	Statistical data warehouse system (Statistical data storage, analysis and report generation)
EUI/CREST	Central Security Depository systems of UK and Ireland.

Table 11: Applications involved in the daily lifecycle of the C7 SCS system

### Daily Schedule

Simulation days will either be batch days (shown as batch days in the Simulation Calendar) or non-batch days. In C7 SCS 3.0 simulation batch days will follow the Simulation Calendar. On batch days the C7 SCS simulation starts 8:30 CET and the C7 SCS online end is scheduled for 16:30 CET. In case of a non-batch day (and the day before was a batch day) the system starts at 8:30 CET. Members can insert their trades in the Trading Locations till 16:00 CET. EUI /CREST simulation is available from 10:00 to 17:00 CET. After the end of service EoS information from the Trading Locations to C7 SCS settlement instructions are sent to the (I)CSDs. Member reports are started to be generated after the end of day processing and the distribution of settlement instructions to the (I)CSDs. Member Reports are distributed and accessible for members via the CRE.

**Please note:** Timelines for sending Delivery Instructions to the (I)CSDs and reports to the members may vary slightly, as they depend on daily changes on the workload of the C7 SCS system.

Even if the Start of Day (SoD) is on the current batch day at 8:30 CET, members can already start inserting their orders at the Trading Locations after the EoS processing and the distribution of settlement instructions to the (I)CSDs on the previous batch day.

For the detailed overview of timelines on a business day in simulation please see the following figure

## Business Day Schedule on Batch Days

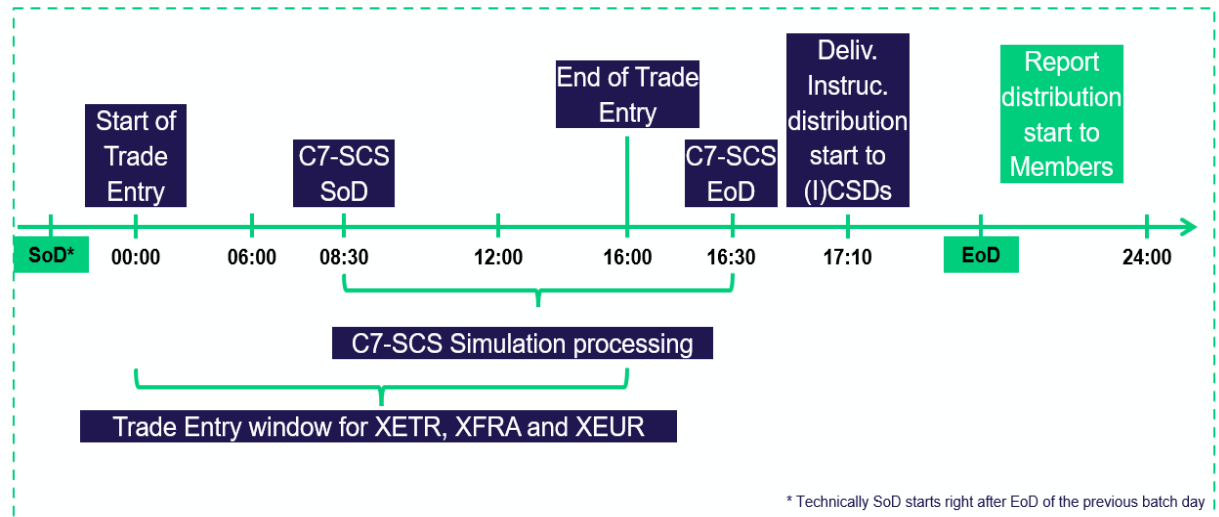


Figure 3: Batch Day Process in Central European Time (CET)

## 5.1 Related Documentation

All member documents providing information regarding new functionalities of C7 SCS 3.0 can be found on the Eurex website at:

## 5.2 [www.eurex.com/ec-en/](http://www.eurex.com/ec-en/) > Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Releases 3.0 Support

### Eurex Clearing Support

Eurex Clearing will provide support for member preparations during the simulation of C7 SCS 3.0. The following teams may be contacted concerning any questions related to the preparation and participation in the C7 SCS 3.0 simulation.

### Customer Functional Support

Telephone: +49 (69) 211 – 1 03 33

Fax: +49 (69) 211 – 1 43 34

Availability: 09:00 - 18:00 CET (on exchange trading days)

E-Mail: [client.services@deutsche-boerse.com](mailto:client.services@deutsche-boerse.com)  
(or please contact your dedicated Clearing KAM)

### Helpdesk Derivatives Clearing

Telephone: +49-69-211-1 12 50

Fax: +49-69-211-1 43 34

Availability: 01:00 - 22:30 CET (on exchange days)

E-Mail: [clearing@eurex.com](mailto:clearing@eurex.com)

### Helpdesk Securities Clearing

Telephone: +49 (69) 21 1 – 1 19 40

Fax: +49 (69) 21 1 – 1 43 34

Availability: 07:00 - 19:00 CET (on exchange trading days)

E-Mail: [ccp@eurex.com](mailto:ccp@eurex.com)

### Functional Helpdesk Eurex

Telephone: +49 (69) 211 – 1 12 10

Fax: +49 (69) 211 – 1 43 45

Availability: 01:00-24:00 CET (on exchange days)

E-Mail: [eurextrading@eurex.com](mailto:eurextrading@eurex.com)

### Clearstream Connectivity Services

Telephone: +49 (69) 211 – 1 15 90

Fax: +49 (69) 211 – 61 15 90

Availability: 09:00 - 18:00 CET

E-Mail: [connect@clearstream.com](mailto:connect@clearstream.com)

### Member support EUI/CREST

Euroclear UK & International Ltd - EUI Client Testing Team

Contacts: Glen Taylor and Ade Agbaje

Telephone: +44 (0) 8459 645 648 (option 5)

Availability: 9 :45 – 6 :00 CET

Email: [eui-client-testing@euroclear.com](mailto:eui-client-testing@euroclear.com)

Website: [www.euroclear.com](http://www.euroclear.com)

**Note:** In case of requests please mention “C7 testing” for a quicker allocation of the request information to the experts.

## 5.3 Abbreviations and Glossary of Terms

Abbreviations	Description
ASDN	Actual Settlement Date Netting
C7	Core component of the Deutsche Börse clearing architecture
C7 SCS	C7 Securities Clearing Service
CBF	Clearstream Banking Frankfurt
CBL	Clearstream Banking Luxembourg
CCP	Central Clearing Counterparty
CET	Central European Time
CM	Clearing Member

Abbreviations	Description
CRE	Common Report Engine
CSD	Central Securities Depositories
CW	Calendar Week
DCA	Dedicated Cash Account
ETE	End to End
EB	Euroclear Bank
EoD	End of the Day
EUI/CREST	CSD for Euroclear UK & Ireland
GUI	Graphical User Interface
(I)CSD	(International) Central Securities Depository
ISIN	International Securities Identification Number
SI	Settlement Institution
SIX SIS	SEGA Inter-settle SIX Group (I)CSD Switzerland
SWIFT	Society for Worldwide Interbank Financial Telecommunication
T2S	Target 2 Securities
TIN	Tax identification number
TM	Trading Member
XML	Extensible Markup Language

Table 12: List of abbreviations