

07 Apr 2021
Eurex Clearing

FX Derivatives: Changes to CLS Settlement Provider, other amendments to the Clearing Conditions of Eurex Clearing AG

Eurex Clearing Circular 032/21 FX Derivatives: Changes to CLS Settlement Provider, other amendments to the Clearing Conditions of Eurex Clearing AG

1. Introduction

This circular contains information with respect to:

- A. Changes in the CLS Third Party BICs (Bank Identifier Codes) used for settlement of FX Futures contracts concluded at Eurex Exchange and associated testing requirements for Clearing Members;
- B. Amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) in relation to emergency cases of unavailability of CLS infrastructure.

To implement the changes under B., amendments to the Clearing Conditions are required, as outlined in Attachment 2. These amendments and the production launch of the new CLS service provider will come into effect on **1 May 2021**.

Testing in production will be available from **1 May 2021** to **14 May 2021**.

2. Required action

Clearing Members will be required to update settlement BICs with the BIC change contained in Attachment 1. Changes can be made in advance of the testing window, but Clearing Members should be aware of potential monthly FX Futures settlements occurring in April 2021.

This change will affect current and onboarding of Clearing Members that clear FX Futures.

Clearing Members will be required to test the new BIC. The testing window will be open from 1 May 2021 until 14 May 2021. Please speak to your Clearing Key Account Manager to arrange a test to confirm the BIC change has been implemented.

3. Details

A. Changes in the CLS Third Party BICs (Bank Identifier Codes) used for settlement of FX Futures contracts concluded at Eurex Exchange and associated testing requirements for Clearing Members

Since the relaunch of the FX market in 2018, Eurex Clearing has offered clearing of FX Futures with settlement in Continuous Linked Settlement (CLS) Main Cycle. Eurex Clearing is planning to change its CLS service provider and as a result the Bank Identifier Code (BIC) used for CLS settlement need to be changed by Clearing Members. The new BICs will come into effect on 1 May 2021.

Clearing Members will be required to test the new BIC in Eurex Clearing's production environment from 1 May until 14 May 2021. The test will replicate the settlement instruction matching process that was undertaken when joining the service. Please contact your Eurex Clearing Key Account Manager for testing during this period.

The information given in the present circular overrides the information regarding BICs in Eurex Clearing circular 041/16.

Please refer to Attachment 1 to this circular for the required BIC changes.

B. Amendments to the Clearing Conditions in relation to emergency cases of unavailability of CLS infrastructure

It will be clarified in the Clearing Conditions that Eurex Clearing may also switch from a CLS-based physical settlement to a bilateral physical settlement in the emergency case that Eurex Clearing's CLS service provider is unavailable.

To reflect the change, the following provision will be amended as outlined in Attachment 2:

- ◆ Chapter II Part 2 Number 2.18 of the Clearing Conditions

As of the effective date, the full version of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurex.com/ec-en/ under the following link:

Clear > Rules & Regs > Rules and Regulations > Clearing Conditions

The amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first 15 Business Days (or, in respect of amendments to the Price List, within the first 10 Business Days) after publication. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions of Eurex Clearing AG, as applicable.

Attachments:

- ◆ 1 – SWIFT message structure changes
- ◆ 2 – Amended sections of the Clearing Conditions

Further information

Recipients: All Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG and vendors

Target groups: Front Office/Trading, Middle + Backoffice, IT/System Administration, Auditing/Security Coordination

Related circular: Eurex Clearing circular **041/16**

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Related topics

- [Attachment 1 to Eurex Clearing circular 032/21](#)
- [Attachment 2 to Eurex Clearing circular 032/21](#)

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SWIFT message structure changes

This section describes the new BICs related to Eurex Clearing's CLS third party service provider. The new BIC details are highlighted in bold in the tables below (Field 57A). Details of these BICs will be required to match instructions in CLS for FX futures settlements and are relevant details for members even if they are relying on Eurex Reports to enter instructions into CLS.

No additional details beyond those highlighted in bold are changing in the message formats.

The following is a sample of an MT300 SWIFT message instruction sent to a Clearing Member by Eurex Clearing. The Clearing Member is also a Settlement Member in CLS. In this example, the Clearing Member bought euro and sold U.S. dollar (EURUSD):

1) MT300 to Counterparty – Example (1) Member A Bought EUR/Sold USD

Swift Sender: Eurex Clearing	{1:F01EUXCDEFZAXXX000000000}
Swift Receiver: Eurex Clearing Member	{2:I300ABCDEQRSXXXN}{4:
:15A: New Sequence	:15A:
:20: Sender Reference	:20:TESTX333444555A
:21: Related Reference	:21:TESTX333444555A
:22A: Type of Operation	:22A:NEWT
:94A: Scope of Operation	:94A:AGNT
:22C: Common Reference	:22C:ABCDRS0131EUXCFZ
:82A: Party A	:82A:EUXCDEFZXXX
:87A: Party B	:87A: ABCDEQRSXXX
:15B: New Sequence	:15B:
:30T: Trade Date	:30T:20210315
:30V: Value Date	:30V:20210317
:36: Exchange Rate	:36:1,31
:32B: Currency & Amount – Bought	:32B:EUR10000000,
:56A: Intermediary	:56A:CLSBUS33XXX
:57A: Receiving Agent	:57A:CHASGB2LTPA
:33B: Currency & Amount – Sold	:33B:USD13100000,
:57A: Receiving Agent	:57A:CLSBUS33XXX

2) MT304 to Eurex Third Party Service Provider – Example (2) Member A Bought EUR/Sold USD

Swift Sender: Eurex Clearing	{1:F01EUXCDEFZAXXX0198000673}
Swift Receiver: CLS TPSP	{2:I304"JPMCLSBIC"XN}{4:
:15: New Sequence	:15A:
:20: Sender Reference	:20:TESTX333444555B
:22A: Type of Operation	:22A:NEWT
:94A: Scope of Operation	:94A:ASET
:83A: Fund	:83J:/NAME/NA
:82A: Fund Manager	:82A:EUXCDEFZXXX
:87A: Executing Broker	:87A: ABCDEQRSXXX
:15B: New Sequence	:15B:
:30T: Trade Date	:30T:20210315
:30V: Value Date	:30V:20210317
:36: Exchange Rate	:36:1,31
:32B: Currency & Amount – Bought	:32B:EUR10000000,
:53A: Delivery Agent	:53A:ABCDEQRSXXX
:56A: Intermediary	:56A:CLSBUS33XXX
:57A: Receiving Agent	:57A:CHASGB2LTPA
:33B: Currency & Amount – Sold	:33B:USD13100000,
:57A: Receiving Agent	:57A:CLSBUS33XXX
:15C: New Sequence	:15C:

3) MT300 to Counterparty – Example (3) Member B Sold EUR/Bought USD

Swift Sender: Eurex Clearing	{1:F01EUXCDEFZAXXX0000000000}
Swift Receiver: Eurex Clearing Member	{2:I300DEFGHTUVXXXXN}{4:
:15A: New Sequence	:15A:
:20: Sender Reference	:20:TESTX333444666A
:21: Related Reference	:21:TESTX333444666A
:22A: Type of Operation	:22A:NEWT
:94A: Scope of Operation	:94A:AGNT
:22C: Common Reference	:22C:DEFGUV0131EUXCFZ
:82A: Party A	:82A:EUXCDEFZXXX
:87A: Party B	:87A: DEFGHTUVXXX
:15B: New Sequence	:15B:
:30T: Trade Date	:30T:20210315
:30V: Value Date	:30V:20210317
:36: Exchange Rate	:36:1,31
:32B: Currency & Amount – Bought	:32B:USD13100000,
:56A: Intermediary	:56A:CLSBUS33XXX
:57A: Receiving Agent	:57A:CHASGB2LTPA
:33B: Currency & Amount – Sold	:33B:EUR10000000,
:56A: Intermediary	:56A:CLSBUS33XXX
:57A: Receiving Agent	:57A:JKLMDEFFXXX

4) MT304 to Eurex Third Party Service Provider – Example (4) Member B Sold EUR/Bought USD

Swift Sender: Eurex Clearing	{1:F01EUXCDEFZAXXX0198000673}
Swift Receiver: CLS TPSP	{2:I304"JPMCLSBIC"XN}{4:
:15: New Sequence	:15A:
:20: Sender Reference	:20:TESTX333444666B
:22A: Type of Operation	:22A:NEWT
:94A: Scope of Operation	:94A:ASET
:83A: Fund	:83J:/NAME/NA
:82A: Fund Manager	:82A:EUXCDEFZXXX
:87A: Executing Broker	:87A: DEFGHTUVXXX
:15B: New Sequence	:15B:
:30T: Trade Date	:30T:20210315
:30V: Value Date	:30V:20210317
:36: Exchange Rate	:36:1,31
:32B: Currency & Amount – Bought	:32B:USD13100000,
:53A: Delivery Agent	:53A:JKLMDEFFXXX
:56A: Intermediary	:56A:CLSBUS33XXX
:57A: Receiving Agent	:57A:CHASGB2LTPA
:33B: Currency & Amount – Sold	:33B:EUR10000000,
:56A: Intermediary	:56A:CLSBUS33XXX
:57A: Receiving Agent	:57A:JKLMDEFXXX
:15C: New Sequence	:15C:

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 01.05.2021

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 2 Clearing of Futures Contracts

[...]

2.18 Clearing of FX Futures Contracts

[...]

2.18.1 Payment Procedures

[...]

- (3) If settlement via CLS is not available ~~possible for settlement~~ for whatever reason (including, but not limited to an unavailability of CLS Bank or the third party service provider through which Eurex Clearing AG connects to CLS), Eurex Clearing AG will instruct the settlement of the affected Eurex Transactions outside CLS (either on a gross or net basis) via the foreign currency accounts of the Clearing Member pursuant to Part 1 Number 1.1.2 (2) with a bank recognised by Eurex Clearing AG ("**Payment Bank**") or via the central bank accounts of the relevant Clearing Members on the settlement day. In this case Number 2.18.4 (1) (b) and (2) (b) shall apply accordingly.

[...]
