

Dear Mary-Ann, dear Staci, dear Don

Thank you for the opportunity to provide feedback on the DMIST consultation paper regarding the standardization of position transfers and for our productive call last week. This email summarizes our key points from the discussion.

We agree that the rationale behind using position transfer functionality has evolved over the past year, while the overall volume of position transfers within Eurex Clearing has remained stable or even declined since we increased the transaction duration from T+3 to T+5 in 2020. While we acknowledge the potential benefits of standardization, we believe that focusing solely on a standardized upload sheet format for position transfers may present challenges and limit future innovation.

Addressing the specific questions of the consultation paper:

Completeness of the CCP Upload Functionality Template:

The proposed template in Figure 3 lacks crucial information required by the Eurex Clearing system for processing position transfers. This missing information stems from both system necessities and our existing rulebooks.

At the same time the template includes fields, which are not directly available in the Eurex Clearing system. Some fields require further clarification.

We have attached a detailed gap analysis outlining the above.

For further illustration we have attached a copy of our technical specification outlining how the Positions Upload Sheet is constructed today at Eurex Clearing.

Roadblocks to Conforming to the Recommended Format:

Please note that the Eurex Clearing Position Transfer upload sheet is a CSV file; our member must provide the position transfer parameters in a defined sequence. It does not require to provide the header of the respective field.

Until today the Position Transfer Upload sheet is used by our members without requests for improvements. Further clarity from DMIST would be helpful to understand why a certain sequence and display of the header will lead to overall process improvements.

We understand that:

- The Position Transfer upload sheet will often require manual intervention by the Clearing Member, especially in translating/adding CCP-specific fields from the client sheet into the CCP sheet and then uploading it into the CCP system.
- Members may use different methods to instruct position transfers in the clearing system depending on the specific situation. Consequently, the same member might decide to use the CCP GUI to enter a position transfer and, on the same clearing day, instruct position transfers via the Position Transfer upload sheet.

Therefore, we expect that differences in naming conventions within one CCP system could lead to misunderstandings and potentially errors for our members, only partially supporting the goals of automation, reduction of manual efforts, speeding up processing and increasing efficiency.

Recommendations and Challenges:

It is our understanding that the Standard should be the foundation for further automating the processing of Position Transfers between clients and Clearing Members, and between Clearing Members and CCPs. In cases where no upload functionality is available in the CCP system, the upload functionality with a minimum data set should serve as a valuable starting point for development.

However, it should be kept in mind that an upload functionality usually involves manual intervention on the Clearing Member's side. If a Position Transfer Upload sheet is already available in the CCP system and commonly used, we strongly advocate establishing a fully automated interface (e.g., API) between the Clearing Member and the CCP instead of investing time and resources in changing formats and naming conventions of existing CCP upload functionalities (please note that the amount of required fields will remain unchanged, which adds in case of Eurex Clearing more than 15 fields) . A fully automated interface is a scalable and efficient solution that will allow Clearing Members to process large Position Transfer volumes without manual intervention.

As with all new CCP functionalities, we expect that members might need to adjust their middle and back-office systems to be able to use such a new API interface of a CCP. We see the development of a standard for such an interface (possibly in cooperation with FIX) as very helpful in supporting the implementation for members, vendors, and CCPs, and consequently the industry-wide adoption of the new automated interface.

Please let us know if you have any questions and/or would like to discuss specific points in further detail.

As agreed, we look forward to contributing to future working group meetings. Kindly include Michael and me in the invitations.

Thank you
Michael and Melanie