Eurex Clearing - C7 SCS 6.0

C7 SCS 6.0 – Release Notes

Eurex Clearing AG

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Abstract

With C7 SCS Release 6.0, Eurex Clearing introduces enhancements to the GC Pooling settlement processing, enabling parallel settlement of exposure adjustments going in opposite directions. The release also adds Scandinavian currencies (DKK, SEK, NOK) for GC Pooling and introduces adjustments to GC Pooling settlement start timings for selected non-EUR currencies GBP, and CHF, aligning them to the existing EUR framework for both standard and Single Issuer basket trades. In addition, early novation and enhanced netting for ISA Direct Light trades are introduced, allowing for improved liquidity management and reduced prefunding requirements for ISA Direct Light License Holders. The release further extends the settlement flexibility for Special and GC Repo transactions by offering settlement via CEU accounts for additional Non-DE bonds. Moreover, repo settlement processing is aligned with Clearstream's UCSA service to ensure matching and correct settlement processing. Furthermore, the transactions type identifier used in delivery instructions for cleared Special Repo transactions will be updated. As part of the preparation for T+1 settlement, several measures are implemented, including the decommissioning of Linking before Aggregation service and adapting the processing schedule to align with the extended transaction input window for CREST settlement.

The timeline for C7 SCS Release 6.0 is as follows:

- Start of Simulation: **15 September 2026**
- Start of Production: **16 November 2026**

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1 Introduction

This document provides an overview of the functionalities covered and available with C7 SCS Release 6.0.

With C7 SCS Release 6.0, Eurex Clearing enhances the GC Pooling settlement processing by enabling parallel handling of settlement feedback in C7 SCS received by CmaX for exposure adjustments going in opposite directions, allowing parallel settlement of those transactions. In addition, the scope of eligible settlement currencies for GC Pooling is expanded through the inclusion of Scandinavian currencies (DKK, SEK, NOK). The release also includes adjustments to GC Pooling settlement start times for selected non-EUR currencies (GBP, CHF), aligning standard and Single Issuer GC Pooling basket settlement processing with the existing EUR setup. Furthermore, Eurex Clearing introduces early novation and enhanced netting for ISA Direct Light trades, allowing novation of such trades by C7 SCS prior front leg settlement date to enable netting with maturing ISA Direct Light trades, improving the liquidity management and reducing the prefunding requirements for ISA Direct Light License Holders.

As another enhancement, the choice of settlement for Special and GC Repo transactions is further improved by enabling T2S eligible bonds with prefixes IE (Ireland), DK (Denmark) and AT (Austria) for settlement via CEU accounts. Also, T2S eligible bonds with prefix FI (Finland) will be technically enabled for settlement via CEU accounts with C7 SCS Release 6.0, however the production activation of this market will take place in Q1/2027.

This release also includes alignment of repo settlement processing with Clearstream's UCSA service, to ensure matching and correct settlement processing.

Furthermore, the transactions type identifier used in delivery instructions for cleared Special Repo transactions will be updated and the identifier "REPU" will be used in future.

In preparation for the transition to a T+1 settlement cycle, C7 SCS implements several measures, including the decommission of Linking before Aggregation service to simplify processing. Furthermore, Market-Side Securities Trade Confirmations will be sent to EUI for further processing on same Business Day the trade was received to align with the extended transaction input window introduced by EUI/CREST.

Important: The C7 SCS Release 6.0 is an optional release for Eurex Repo members, Clearing Members, DC Market Participants, and respective Settlement Institutions (SI).

1.1 Readiness Statement

Due to the nature of C7 SCS Release 6.0 as an optional release, Eurex Clearing AG does not require a readiness statement from the Clearing Members.

Participation in the C7 SCS Release 6.0 simulation and testing phase is optional, though highly recommended – especially for report and interface changes. Eurex Clearing will give all participants the opportunity to test the settlement of Repo Transactions for Irish, Danish, Austrian and Finnish Markets via CEU-T2S in Simulation environment. Further information relating to the participation can be found in the Member Simulation Guide.

1.2 Related Documents

All documents which will be updated in connection with the introduction of C7 SCS Release 6.0 will be made available for download on Eurex Clearing website www.eurex.com/ec-en/ under the following path: Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Release 6.0

Details on the publication dates can be found in the "C7 SCS 6.0 Member Communication Calendar" available on the Eurex Clearing website www.eurex.com/ec-en/ under the following path: Support > Initiatives & Releases > C7 SCS Releases > C7 SCS Release 6.0 > System Documentation > Overview & Functionality

2 Overview C7 SCS Release 6.0

Eurex Clearing is planning to launch C7 SCS Release 6.0 on **16 November 2026**.

C7 SCS Release 6.0 covers the following functional changes:

- Enhancement of GC Pooling settlement processing
- Addition of Scandinavian currencies for GC Pooling
- Adjustment of GC Pooling Settlement Start Timings for GBP and CHF
- Early Novation and Netting for ISA Direct Light Transactions
- Optional settlement of Special and GC Repo transactions for T2S eligible Irish, Austrian, Danish and Finnish (production activation in Q1/2027) bonds via CEU accounts
- Alignment of Repo Settlement Processing with Clearstream's UCSA Service
- Update of Transaction Type Identifier for Repo Transactions
- Preparation Measures for T+1 Settlement
  - Decommission of Linking before Aggregation service
  - Extended Processing Timelines for CREST Settlement

Eurex Clearing provides a dedicated release simulation environment to give participants the opportunity to perform comprehensive testing of their applications, independent from the C7 SCS production environment.

The simulation period for C7 SCS Release 6.0 is planned to start on **15 September 2026**.

3 Enhancement of GC Pooling settlement processing

With C7 SCS Release 6.0, Eurex Clearing in collaboration with Clearstream will further enhance the GC Pooling settlement processing.

With C7 SCS Release 3.7[1], Eurex Clearing introduced parallel processing of GC Pooling exposure adjustments in C7 SCS when they occur in the same direction. The concept of parallel processing was not applied to changes in exposure(s) going in opposite directions, i.e. in case an exposure adjustment leads to change in direction, Clearstream's Triparty Collateral Management Service (CmaX) processed it only after the previously requested exposure adjustment has been fully covered by CmaX. In future, CmaX will immediately consider the next exposure adjustment(s) for processing also in case it leads to a change in direction.

The processing will be adapted accordingly also in C7 SCS to support parallel processing also for GC Pooling exposure adjustments going in opposite directions. With this change, the overall settlement performance for GC Pooling same day trades will be improved.

Please note that members using the T2S DCA service from Clearstream still need to fund all securities purchases up front as today.

[1] C7 SCS Release 3.7 Release notes - Updated version.pdf

4 Addition of Scandinavian currencies for GC Pooling

As of today, trading of GC Pooling transactions is offered in EUR, USD, GBP and CHF as cash currencies across all GC Pooling baskets. With C7 SCS Release 6.0, Eurex Clearing will extend the scope of eligible cash currencies by introducing Scandinavian currencies (Danish krone - DKK, Swedish krona- SEK, Norwegian krone - NOK) as supported currencies for GC Pooling transactions. These currencies will be introduced for all GC Pooling baskets offered for trading (including Single Issuer baskets) and will be offered to all GC Pooling members, including ISA Direct Light License Holders.

GC Pooling transactions executed in Scandinavian currencies, irrespective of the GC Pooling basket, will settle via Clearstream Banking Luxembourg (CBL) as settlement location.

Exposure adjustments for non- same day GC Pooling transactions executed in Scandinavian currencies across all GC Pooling baskets except the Single Issuer GC Pooling baskets will be sent by C7 SCS to CmaX at 09:30 CET. Exposure adjustments for non- same day GC Pooling transactions in Scandinavian currencies executed in Single Issuer GC Pooling baskets will be sent by C7 SCS to CmaX at 08:00 CET.

Exposure adjustments for same day GC Pooling transactions executed in Scandinavian currencies will be sent by C7 SCS to CmaX as of 07:00 CET.

Eurex Clearing encourages interested GC Pooling members to actively participate in simulation for C7 SCS Release 6.0 and execute GC Pooling test trades in Scandinavian currencies in order to ensure correct processing in customers' internal systems.

GC Pooling members willing to trade the new currencies need to contact Eurex Repo Account Management at repo.accountmgmt@eurex.com for the setup of the new basket currency combinations.

5 Adjustment of GC Pooling Settlement Start Timings for GBP and CHF

With C7 SCS Release 6.0, Eurex Clearing adjusts the Settlement Start Time for GC Pooling exposure adjustments in C7 SCS for currencies GBP and CHF to have aligned settlement start timings across EUR and Non- EUR currencies.

For non- same day GC Pooling exposure adjustments in GBP and CHF, the Settlement Start Time will be moved from 07:00 CET to 09:30 CET, aligning these currencies with the existing EUR setup and Scandinavian currencies. For non- same day Single Issuer basket exposure adjustments in GBP and CHF, the Settlement Start Time is adjusted from 07:00 CET to 08:00 CET, in line with the setup for EUR and Scandinavian currencies for those baskets. The settlement start time for same day GC Pooling exposure adjustments in GBP and CHF across all GC Pooling baskets will not change and remain at 07:00 CET.

Overall, the change harmonises Settlement Start Timing across currencies, enhances predictability in GC Pooling settlement processing, and supports more consistent intraday exposure management.

6 Early Novation and Netting for ISA Direct Light Transactions

With C7 SCS Release 6.0, Eurex Clearing will improve the netting process of GC Pooling transactions executed by ISA Direct Light License Holders.

Today, new GC Pooling ISA Direct Light transactions are novated by C7 SCS only on the front leg settlement day, given the ISA Direct Light License Holder has provided full cash prefunding for settlement. In case of a roll scenario, where an ISA Direct Light License Holder enters a new ISA Direct Light transaction with front leg settlement date being the same as the term leg settlement date of a maturing ISA Direct Light transaction, netting of both transactions is not possible within C7 SCS. As a result, the ISA Direct Light License Holder must temporarily fund the new ISA Direct Light transaction on a gross basis on the front leg settlement day, despite having offsetting cash inflows scheduled for the same day from a maturing ISA Direct Light transaction.

In order to improve this process and enhance the netting capabilities for ISA Direct Light License Holders, with C7 SCS Release 6.0 Eurex Clearing will introduce the possibility of early novation and netting of ISA Direct Light transactions within C7 SCS. One day before term leg settlement day (S-1) of maturing ISA Direct Light transactions, C7 SCS will calculate the term leg cash balance of these trades. In case C7 SCS receives a new ISA Direct Light transaction with front leg settlement date being the same as the term leg settlement date of the maturing ISA Direct Light transactions, C7 SCS will perform a check to determine whether the term leg cash balance of the maturing ISA Direct Light transactions is sufficient to cover the required cash funding of the front legs of the new ISA Direct Light transactions. If this check is successful, the new ISA Direct Light transaction will be novated by Eurex Clearing and will be netted with the term legs of maturing ISA Direct Light transactions during CCP netting on S-1. As a result, the required prefunding in case of roll scenarios is significantly reduced for ISA Direct Light License Holders and thus improves the overall settlement efficiency.

There is no change in the overall netting and GC Pooling exposure management process performed by C7 SCS. The new functionality will be applied automatically by C7 SCS for ISA Direct Light transactions.

7 Optional settlement of Special and GC Repo transactions for T2S eligible Irish, Austrian, Danish and Finnish bonds via CEU accounts

With C7 SCS Release 3.5[2] and C7 SCS Release 4.0[3], Eurex Clearing has introduced the possibility for Repo members to provide a CEU settlement account for Special and GC Repo transactions executed in specific T2S eligible Non-DE bonds.

With C7 SCS Release 6.0, Eurex Clearing will further enhance this service by enabling additional T2S eligible Non-DE bonds for optional settlement via CEU accounts. As a third phase, Repo members have the possibility to provide a CEU account for the settlement of Special and GC Repo transactions in T2S eligible bonds with prefixes, IE (Ireland), DK (Denmark), AT (Austria) and FI (Finland)[4].

The current and envisaged solution for the choice of settlement location of the bonds in scope looks as follows:

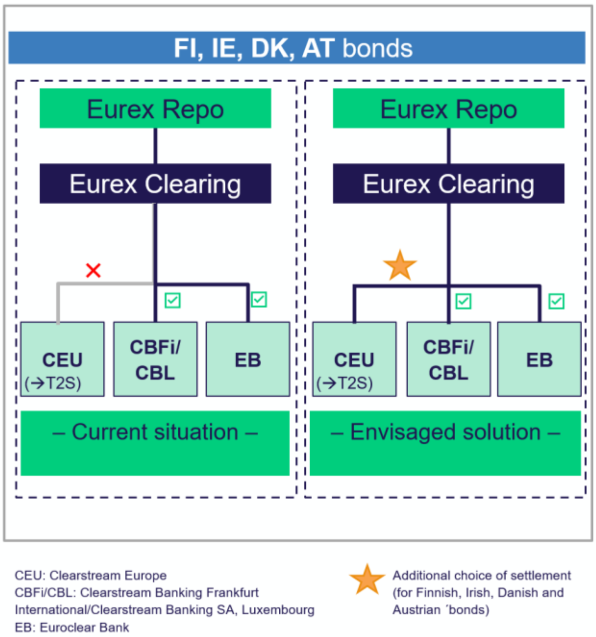

Figure 1: Extension of Repo settlement at CEU

Clients willing to use the enhancement will need to request the amendment of their settlement account setup for Eurex Repo accordingly and provide Eurex Clearing with the respective CEU settlement account. In addition, the T2S Party BIC (BIC11) linked with the CEU account is required as part of master data by C7 SCS. Please contact Eurex Repo Account Management at repo.accountmgmt@eurex.com for adapting clients' set-up.

[2] C7 SCS 3.5 - Release Notes.pdf

[3] C7 SCS 4.0 - Release Notes.pdf

[4] Settlement of Special and GC Repo transactions for T2S eligible Finnish bonds via CEU accounts will be activated in production in Q1 2027

No action will be required for members who wish to continue with their existing setup of settlement location.

This enhancement is applicable for Special and GC Repo transactions only and does not affect GC Pooling Repo transactions.

Eurex Clearing encourages Eurex Repo participants, willing to use the enhanced settlement process described above for the settlement of Non-German T2S Eligible ISINs, to actively participate in simulation for C7 SCS Release 6.0 in order to check how the change of place of settlement will be processed in customers' internal systems.

8 Alignment of Repo Settlement Processing with Clearstream's UCSA Service

Due to the introduction of Clearstream's UCSA (Underlying Customer Segregated Account Identifier) service[5], Eurex Clearing will adapt to the impacts resulting for Special and GC Repo transactions.

As of December 2025, Clearstream offers the optional UCSA service to CEU clients. This has an impact on the settlement flow of Special and GC Repo transactions cleared by Eurex Clearing in case a CEU client applying the UCSA service is using the same CEU settlement account also for cleared Repo transactions in specific bonds. Since Eurex Clearing does not aim to make use of Clearstream's UCSA service, it will adapt its delivery instructions sent for Special and GC Repo transactions accordingly. This will ensure correct matching and settlement processing of affected Repo transactions.

The amendment does not impact the overall delivery management process for Special and GC Repo transactions within C7 SCS. There will be no change to C7 SCS client reports.

[5] Unified for New Opportunities Detailed Functional Specifications

9 Update of Transaction Type Identifier for Repo Transactions

With C7 SCS Release 6.0, Eurex Clearing updates the transaction type identifier used in delivery instructions for cleared Repo transactions from “TRAD” to “REPU”. No further changes to settlement messaging are introduced as part of this enhancement.

10 Preparation Measures for T+1 Settlement

The transition to a T+1 settlement cycle shortens the time between trade execution and settlement to one business day and represents an industry-wide change across European markets, with a planned go-live on 11 October 2027.

To support this, C7 SCS adapts its processes to ensure timely trade processing, netting, and settlement instruction generation. This includes extending processing windows where needed and simplifying functionalities to reduce dependencies that could delay sending of settlement instructions and report provision.

The following enhancements support alignment with external timelines and enable efficient settlement under the T+1 framework.

10.1 Decommission of Linking before Aggregation service

With C7 SCS Release 6.0, Eurex Clearing removes the Linking before Aggregation service in C7 SCS to simplify the netting process/ generation of settlement instructions in preparation for the T+1 environment.

While this mechanism supports flexibility in a T+2 environment, it also introduces additional complexity and processing dependencies.

As a consequence of this change, related member reports as Net Clearing Report (CE890/91/92 and CE895/96/97) and Trades Action Report (CB830/31; including Printable version) will be adjusted as Link Reference is no longer applicable anymore. A detailed overview of member report related changes will be provided in RRM for C7 SCS Release 6.0.

Overall, this change supports the transition to a more efficient, time critical T+1 environment, reducing complexity while improving robustness and shortening processing time to provide settlement instructions earlier to settlement locations and Net Clearing Report earlier to the members.

10.2 Extended Processing Timelines for CREST Settlement

With C7 SCS Release 6.0, Eurex Clearing adapts its processing schedule for physical deliveries arising from Eurex options and futures with settlement location EUI/CREST to align with the extended transaction input window introduced by Euroclear UK & International (EUI) and support the transition to T+1 settlement.

Currently, trade confirmations for CREST are sent on the next business day (T+1). With EUI extending the input window for transactions into the late evening, processing adjustments are possible to provide trade confirmations already on same Business Day to EUI allowing members to act on their transactions earlier than in today's processing.

With this enhancement, C7 SCS adapts by extending its processing window into the evening of the trade date (T) enabling trade confirmations to be generated and sent on the same business day after netting. This ensures delivery within the extended CREST input timelines and provides greater flexibility and resilience in late day processing.

As a result, the settlement process becomes better aligned with external market infrastructure timelines, enabling earlier instruction delivery, reducing settlement risk, and ensuring compliance with T+1 timing constraints. Additionally, the extended processing window avoids late matching fees introduced by CREST as part of the transition to T+1 settlement. By generating and sending trade confirmations on the evening of the trade date (T), members have additional time to match their transactions before the CREST late matching fee regime becomes effective at 06:00 UK time (07:00 CET) on the following business day.

Building on these changes, it is planned in subsequent releases to further increase the robustness allowing to send trade confirmation later in the business day or at an earlier point in time on next Business Day. This will allow members to act on their transactions before the first settlement run provided by EUI.

11 Abbreviations and Glossary of Terms

Abbreviations	Description
AG	Aktiengesellschaft (public limited company)
BIC	Bank Identifier Code
C7 SCS	C7 Securities Clearing Service
CBL	Clearstream Banking Luxembourg
CCP	Central Counterparty
CET	Central European Time
CEU	Clearstream Europe AG, formerly known as "Clearstream Banking AG, Frankfurt (CBF)"
CHF	Swiss Franc
CmaX	Clearstream's Triparty Collateral Management Platform
CREST	Certificateless Registry for Electronic Share Transfer
DKK	Danish Krone
EB	Euroclear Bank
EUI	Euroclear UK & International
EUR	Euro
FWB	Frankfurter Wertpapierbörse
GBP	British Pound Sterling
GC	General Collateral
GCP	General Collateral Pooling
IDL	Individual Segregated Account Direct Light
ISA	Individual Segregated Account
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
NOK	Norwegian Krone

Abbreviations	Description
RRM	Report Reference Manual
SCS	Securities Clearing Service
SEK	Swedish Krona
SFR	Securities Financing Repo
SI	Settlement Institution
T2S	TARGET2-Securities
UCSA	Underlying Customer Segregated Account Identifier

Table 1: Abbreviations and Glossary of Terms