

19 Aug 2021  
Eurex Clearing

# EurexOTC Clear Release 11.3: Adoption of 2021 ISDA Interest Rate Derivatives Definitions

**Eurex Clearing Circular 074/21 EurexOTC Clear Release 11.3: Adoption of 2021 ISDA Interest Rate Derivatives Definitions**

## 1. Introduction

With this circular, and as previously communicated in our **Newsflash** from 7 May 2021, Eurex Clearing announces the adoption of 2021 ISDA Interest Rate Derivatives Definitions (the “2021 ISDA Definitions”) with effect from Monday, **4 October 2021**.

Adoption of the 2021 ISDA Definitions is part of EurexOTC Clear Release 11.3. The timeline for the new release is as follows:

**Simulation start: 7 September 2021**

**Production start: 4 October 2021**

Learn more about EurexOTC Clear Release 11.3 on our dedicated initiative page under the following link: Support > Initiatives & Releases > EurexOTC Clear Releases > **EurexOTC Clear Release 11.3**. System documentation, circulars, timeline and much more information is available there for you.

## 2. Required action

Recipients, such as Clearing Members which process the Floating Rate Option (FRO) labels as communicated to them in reports and trade notification

messages, and plan to implement the adoption of ISDA 2021 Definitions, are required to make changes accordingly in their own systems.

### 3. Details of the initiative

The International Swaps and Derivatives Association (ISDA) published the 2021 ISDA Definitions in June 2021 as a “root and branch update” of the 2006 ISDA Definitions to replace them as the standard definitional book for bilateral OTC interest rate derivatives. The implementation date is targeted on the weekend of 2 - 3 October 2021.

Eurex Clearing will meet this implementation date and as of 4 October 2021, will accept transactions for clearing that reference the 2021 ISDA Definitions in the “Contractual Definitions” field or use 2021 ISDA Definitions-based FRO labels. Clearing of bilateral OTC IRD and OTC XCCY transactions referencing the 2006 ISDA Definitions (as well as other master agreements such as the German Master Agreement) (*“Deutscher Rahmenvertrag für Finanztermingeschäfte”*) will continue. Eurex Clearing will support both 2006 ISDA-based FRO labels as well as 2021 ISDA Definitions-based FRO labels to facilitate the transition phase.

Upon acceptance of bilateral OTC transactions into clearing by Eurex Clearing by way of novation, the Clearing Conditions or FCM Regulations of Eurex Clearing AG apply to the cleared transaction. For cleared OTC IRD and OTC XCCY transactions, the Clearing Conditions and FCM Regulations of Eurex Clearing AG are closely aligned to the market standard set by ISDA to the extent feasible in the context of cleared transactions. Hence, the provisions of the Clearing Conditions and FCM Regulations of Eurex Clearing AG for OTC IRD and OTC XCCY transactions are currently broadly based on the 2006 ISDA Definitions.

Eurex Clearing will maintain fungibility of cleared transactions, irrespective of whether they are submitted based on 2000 ISDA Definitions, 2006 ISDA Definitions, 2021 ISDA Definitions, the German Master Agreement or other contractual definitions. Cleared transactions that are 2006 ISDA Definitions-based will not be updated to 2021 ISDA Definitions-based at this stage.

Eurex Clearing will not change the current FpML version/structure but will simply show the “new” values (“ISDA2021-based” Contractual Definitions and new FRO labels) for transactions that reference the 2021 ISDA Definitions in the trade notification messages and reports.

More details about Eurex Clearing’s implementation can be found in the document “2021 ISDA Definitions - Eurex Clearing's Adoption Approach” in the **Member Section** of Deutsche Börse Group under the following path:

**Resources > Eurex Clearing > Documentation & Files > EurexOTC Clear > System Documentation > Overview**

Further information about the necessary amendments to the Clearing Conditions and FCM Regulations of Eurex Clearing AG will be published later via a separate circular.

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.

## Further information

Recipients: All Clearing Members, Basic Clearing Members, FCM 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 newsflash: **Eurex Clearing Readiness Newsflash from 7 May 2021**

Contact: [client.services@eurex.com](mailto:client.services@eurex.com)

Web: [Support > Initiatives & Releases > EurexOTC Clear Releases > \*\*EurexOTC Clear Release 11.3\*\*](#)

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