

2012-06-29

**IT 56/12**

## IT - Genium INET Release v0220

The member extranet

([http://nordic.nasdaqomxtrader.com/memberextranet/genium\\_inet/](http://nordic.nasdaqomxtrader.com/memberextranet/genium_inet/)) contains the newest project related documentation such as API changes, connectivity information, test specifications and market model documents.

We are happy to announce the next Genium INET upgrade for NASDAQ OMX Nordics, called v0220, to be released 26th of November this year. Currently, NASDAQ OMX Nordic is running on Genium INET v0218.

Please read through this IT Notice to see if any of the changes applies to your system or setup.

We have tried to release an update with as low impact for the market as possible, and only affect the ISVs and members with in-house developed software that will use the new functionalities introduced. There will be no changes to the Genium Consolidated Feed TIP protocol specification.

More details will be released closer to the availability of the v0220 test environment, as well as updated Genium INET Clearing Workstation, in Genium INET Ext2 in August.

### **Genium INET Fixed Income Derivatives:**

NASDAQ OMX will expand the scope for clearing of OTC derivatives. In order to cater for new products, development will be conducted on both the matching system used for these instruments and the margin model that support cleared interest rate derivatives.

Members that do not wish to clear these instruments do not have to adapt to the new transactions that will be introduced. The update will provide support for the following instruments

- Forward rate agreements that have a start date as defined between the parties executing the trade
- Overnight Index Swaps for tailor-made periods as defined between the parties executing the trade

The upgrade also includes enhancements to the existing OTC derivatives offered by NASDAQ OMX with the offering of a dual curve approach (OIS) for discounting of future cash-flows and a daily settlement of market value for these instruments. Members wishing to clear the new products or already active in clearing of interest rate swaps

need to upgrade to the latest version of the Genium INET Clearing Workstation (CW1). Members using the API for retrieving clearing information will have to adapt to new types of deliveries for the settled market value, and the daily calculated interest on this market value. Members replicating Margin will also have to adapt to the updates of the API query - or interface file - for Curves.

A new sub state, "Pending Clearing member Acceptance" has been added for swap and TM FRA trades, to enable Clearing Participants to have the possibility to approve trades made by an Executing Broker

The upgrade is a step in our continuous effort to provide an efficient clearing service for our members and clients active in the Nordic market. Proposed regulatory changes (EMIR, Basel III) emphasizes that clearing of certain products will bring advantages in terms of capital cost. NASDAQ OMX intends to be the number one provider of clearing services for Nordic rates products and this upgrade is a first step in expanding the current rates offering.

#### **Margin Calculation and Simulation changes:**

The Risk Management department have a new possibility to "scale" risk margin open for an account. For ISV's replicating Margin Calculations this means that they will have to adapt to a new query for Accounts - or use a new interface file for accounts - to get the scaling table name, and use a new query – or a new interface file - for the scaling factors per market.

Customers using the centrally stored margin simulation tool will need to change their configuration, as the margin simulations will be locally stored (this will only apply if you change your version of Genium INET CW1). A new API query, which gives the possibility to simulate also swap and TM FRA trades is introduced, and used in Genium INET CW1.

#### **Genium INET Commodities:**

Commodities will launch new instruments and improvements to existing products.

#### **Genium INET Fixed Income:**

##### **Settlement date in trade confirmations (BD6)**

The settlement date field is today only disseminated for trades with a non-standard settlement date reported to Genium INET. We will change that so the settlement date field will be disseminated for all trades executed or reported to Genium INET Fixed Income markets.

##### **Matching of All-or-None orders**

The matching of all-or-none (AoN) orders during continuous trading will be improved by increasing the teaming-up possibilities of AoN-orders.

## **Genium INET Nordic derivatives:**

### **Deferred publication**

Support for deferred publication of trade reports exists in the current protocol specifications but are currently unused. We will start using this functionality after going live with v0220. The functionality will allow members to trade report with delayed dissemination of the trade if it is above a specified volume in number of contracts

### **Enhanced end of day statistics**

As earlier agreed with the member community (will also be brought up on the Derivatives Market Committee in September), we are planning to introduce a Post trading session. This will have impact on how trade statistics are disseminated.

## **The OMnet protocol Changes can be found in the link below:**

[http://nordic.nasdaqomxtrader.com/digitalAssets/80/80623\\_omnet\\_messref\\_nordic\\_va509.pdf](http://nordic.nasdaqomxtrader.com/digitalAssets/80/80623_omnet_messref_nordic_va509.pdf)

## **The FIX Changes:**

[http://nordic.nasdaqomxtrader.com/digitalAssets/80/80624\\_changesinfixforgenuminet0220external.pdf](http://nordic.nasdaqomxtrader.com/digitalAssets/80/80624_changesinfixforgenuminet0220external.pdf)

## **Time schedule:**

Availability in Genium INET Ext2:	22 August – 14 December
Go Live:	26 November

We are welcoming feedback on the protocol specification updates from the members and ISVs. Never hesitate to reach out to us.

## **For additional information, please contact:**

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