**HIGH LEVEL SUMMARY OF THE REAL-TIME CLEARING UPGRADE TO V1.27 DEC 2018**

There is **no change** to the **RTC version of 1.27** with this upgrade. The upgrade includes the following changes:

    A.   Net zero positions to be removed at Start of Day (SOD) (instead of Intraday as currently in RTC)

    B.   Position sub account modification on the same day a new position is created

For a **detailed explanation** of the changes, kindly refer to **Section 9.6** of the following Services Documentation:
Volume PT02 – Post-trade EMAPI Clearing

## A.  Net zero positions to be removed at SOD

Net zero positions are defined as follows:

**Futures and Options**

- Net quantity of the position is zero (long quantity + short quantity = 0, where short quantity is represented as a negative number); AND
- Net market value of the position is zero (long market value + short market value = 0, where short market value is represented as a negative number)

**CFDs**

- Net quantity of the position is zero (long quantity + short quantity = 0, where short quantity is represented as a negative number); AND
- Net market value of the position is zero (long market value + short market value = 0, where short market value is represented as a negative number); AND
- Net spread volume of the position is zero (long spread volume + short spread volume = 0, where short spread volume is represented as a negative number)

**Currently in the Real-Time Clearing (RTC) system:**

1)  RTC removes net 0 positions immediately (intraday)
2)  The removal of net 0 positions is not published as an AccountPositionEvent
3)  Any subsequent trades created on the same instrument and account will add to a quantity, market value and spread volume of zero (0)
4)  See below a worked example of how RTC currently works:

| Trades on Instrument A (Non-CFD) | Long Qty | Short Qty | Long Market Value | Short Market Value | Comment |
|---|---|---|---|---|---|
| Trade 1: Buy 3 – Price R2 | 3 | 0 | 6 | 0 | Position published via AccountPositionEvent |
| Trade 2: Sell 5 – Price R2 | 3 | 5 | 6 | 10 | Position published via AccountPositionEvent |
| Trade 3: Buy 2 – Price R2 | 5 | 5 | 10 | 10 | Position published via AccountPositionEvent Thereafter, the position is removed |
| Trade 4: Buy 8– Price R3 | 8 | 0 | 24 | 0 | Position published via AccountPositionEvent Position disregards all previous trades before the removal |
| Trade 5: Sell 2 – Price R2 | 8 | 2 | 24 | 4 | Position published via AccountPositionEvent Position disregards all previous trades before the removal |

**Post the RTC upgrade:**

1) RTC will not remove net 0 positions immediately but rather at SOD the following day
2) Any subsequent trades done on the same instrument and account after the position nets to zero will add on to the existing long and short quantities, long and short market value and long and short spread volume depending on the side (buy/sell) of the trade
3) See below a worked example of how RTC will work post the upgrade:

| Trades on Instrument A (Non-CFD) | Long Qty | Short Qty | Long Market Value | Short Market Value | Comment |
|---|---|---|---|---|---|
| Trade 1: Buy 3 – Price R2 | 3 | 0 | R6 | R0 | Position published on AccountPositionEvent |
| Trade 2: Sell 5 – Price R2 | 3 | 5 | R6 | R10 | Position published on AccountPositionEvent |
| Trade 3: Buy 2 – Price R2 | 5 | 5 | R10 | R10 | Position published on AccountPositionEvent Position is not removed |
| Trade 4: Buy 8– Price R3 | 13 | 5 | R24 | R10 | Position published on AccountPositionEvent; Positions continue to be added to the net 0 position |
| Trade 5: Sell 2 – Price R2 | 13 | 7 | R24 | R14 | Position published on AccountPositionEvent Positions continue to be added to the net 0 position |

Any net 0 positions at EOD will be stored at EOD and will only be removed the following day before start of day positions are published.

The AccountPositionEvent messages for net 0 positions at EOD will be published as follows until removed:

| Positions on Instrument B (Non-CFD) | Long Qty | Short Qty | Long Market Value | Short Market Value | Comment |
|---|---|---|---|---|---|
| At Start of EOD or CM Balancing1 | 5 | 5 | R10 | R10 | Net Position is zero |
| During EOD after CM Balancing2 | 5 | 5 | R10 | R10 | AccountPositionEvent published for net zero position with position reason END_OF_DAY |
| At System Start up | 5 | 5 | R10 | R10 | AccountPositionEvent published for net zero position with position reason SYSTEM_STARTUP |
| At SOD | | | | | No AccountPositionEvent published as position is removed before SOD |

**Note:** CFD positions with net quantity of zero and long and short spread volumes that are not equal will be removed at SOD on the day following the expiry date of the CFD instrument.

**B. Position sub account modification on the same day a new position is created**

This change will allow:

- A position sub account modification to be performed on positions migrated from the current production system on the day of go-live and on any day thereafter
- A position sub account modification to be performed on positions migrated from the current production system on the day of a dress rehearsal
- A position sub account modification to be performed on the same day a new position is created
  - Currently the Real-Time Clearing system does not allow a positon sub account modification to be performed on a NEW position on the same day the position is created
  - **Note however** that it will not be possible to modify the sub account on a position on an instrument created on the same day

The conditions below are applicable to all position sub account modification scenarios including those described above:

- the combination of from and to accounts is allowed
- the contract is allowed for the new account according to the Trading Member-Clearing Member link
- the user submitting the position sub account modification request is the owner of the original and receiving accounts
- the destination position account is enabled
- An EOD settlement price exists for the previous business day