

CME[®] Mutual Offset System (MOS)

User Guide

October 2007

OVERVIEW

In 1984 The CME and the Singapore Exchange (SGX) established a mutual offset agreement, which resulted in the implementation of the Mutual Offset System (MOS). In accordance with this agreement, trades executed on one exchange can be transferred to the books of a firm on the other exchange. Currently, *only* Eurodollar, Euroyen, Euroyen LIBOR and Nikkei Yen futures are eligible contracts for MOS.

At the request of CME member firms, the new on-line Clearing 21® Mutual System (MOS) has been developed to facilitate the MOS process. The new MOS system provides a higher degree of availability and convenience for firms to add correct or accept MOS trades real time. This new system, similar to the existing Give-Up (GUS) system, allows a CME or SGX firm to allocate an MOS trade and have their respective party in Singapore or Chicago accept or reject the trade.

The method for submitting a trade executed for mutual offset has not changed. For example, the CME firm executes an inter-exchange trade just as any other trade except entering an **SX** in the **FRGN-EX** field and a valid SGX firm number in the **FRGN-FRM** field. Once the trade has matched locally at the originating exchange, the trade will be sent to MOS. There it remains in a pending status until accepted by the SGX firm.

Firms will be able to view **5 days** of historical MOS transactions, reverse trades that were accepted in error, and memoadd new trades to the Clearing 21 MOS System. As a reminder, MOS exists for trade execution **only** and may not be used to transfer existing positions to or from either exchange.

Users can request access by completing an On Line System Access Request Form, via fax or e-mail by calling the Customer Support Group at (312) 930-3444.

MOS uses CME-transmitted confirmation records to update firms' bookkeeping systems. Firms can identify MOS trade confirmations by the following TRES fields:

- ✓ The trade id source code is MOS in positions 146 to 148.
- ✓ CME assigns trade id sequence numbers 90,000-95,999 to MOS trades. (The old MOS trade ID range of 97,000 – 97,999 will now be reserved for future use.)
- ✓ The sub-system identifier is MOS in position 6 to 8 of the M2 Block.

ACCESSING MUTUAL OFFSET SYSTEM (MOS)

To access Mutual Offset System (MOS), complete the following steps:

Log on to the **CME Connect** at <http://connect.cme.com>. The **Logon** window will display.

- *Enter* your existing **CME Connect** 'username' and 'password'.
- Ensure the **CME Portal** product pulldown option has been selected (**CME Portal** should automatically appear in the pulldown box).
- *Click on* the **Sign In** button. The **CME Application** tab will appear.
- *Click on* the **Mutual Offset System (MOS)** application. The main **Mutual Offset System (MOS)** screen will appear.
- Begin by *clicking on* the down arrow-key next to the **Select a Product** box to display list of products. *Click on* **Mutual Offset System (MOS)** from this list of main product types.
- *Click on* **GO** next to the **Select a Product** box. The main menu for the contract will display.

GENERAL SYSTEM/SCREEN INFORMATION

The following are valid MOS function keys and commands.

Function Keys

The following function (or PF) keys can be used on the various MOS screens. Each screen lists the applicable function keys at the bottom:

F1	HELP	Displays a screen that lists all of the valid responses for the screen you are currently using. You can transfer to any response by entering an X next to it and pressing <Enter> .
F3	EXIT	Returns you to the Main Menu.
F5	REFRESH	Erases any "unentered" changes made to a screen or error messages and displays the original data.
F6	CLR SCREEN	Clears the screen and provides blank lines for additional trade entry.
F7	BKWD	Displays the prior page of a screen, if there is more than one.
F8	FWD	Displays the next page of a screen, if there is more than one.
F9	TOGGLE	Alternately display the Order Number Field and the Trade Date Field.
F12	QUIT	Ends the MOS Session and returns you to the Main Menu .

Commands

The following commands can be entered in the **ACT** (action) field as defined in the *command* line located at the top of each screen:

A	ADD an MOS trade.
C	CHANGE an MOS trade or clearing data on accepted trade.
D	DELETE an MOS.
R	REVERSE an accepted MOS transaction on the <i>CME EXECUTES – INQUIRY/UPDATE</i> screen.
R	REJECT an MOS trade on the <i>CME CONFIRMATIONS - ACCEPT/REJECT</i> screen.

```

MOSCI001          CHICAGO MERCANTILE EXCHANGE          DATE: 07/19/00
MOS001M          CLEARING 21 MUTUAL OFFSET SYSTEM      TIME: 13:41:00
                  MENU

1.  CME EXECUTES - MEMOADD ENTRY
2.  CME EXECUTES - INQUIRY/UPDATE
3.  CME CONFIRMATIONS - ACCEPT/REJECT
4.  CME CONFIRMATIONS - AUTO-ACCEPTANCE PARAMETERS

7.  CLEARING HOUSE ERROR INQUIRY

      SELECTION: 1
CME FIRM: 123      OTHER EXCHANGE: SX

      BUSINESS DATE: 2000-07-07
      CURRENT CYCLE: 1

ENTER SELECTION NUMBER AND FIRM, THEN PRESS ENTER.
PF KEYS: 1=HELP 3=EXIT 12=QUIT
  
```

SCREEN OVERVIEW

The **Mutual Offset System Main Menu** screen provides access to the four screens Used for MEMOADDs, inquiry or update, acceptance and setting auto-acceptance parameters.

PROCEDURE

1. Enter the corresponding number for the screen you want to access in the **SELECTION:** field and enter you firm number in the **CME FIRM:** field.
2. If you would like to view a prior day's data, enter the date in the **BUSINESS DATE:** field. C21 MOS maintains up to five business days of data.
3. Press **<ENTER>**.

*To exit a screen and return to the main menu, press **F3**.*

*If the CME is currently running the reconciliation process with the opposite exchange, Selection number 1 **CME EXECUTE - MEMOADD ENTRY** will not be available.*


```

MOSCI010          CHICAGO MERCANTILE EXCHANGE          DATE: 08/11/00
MOS010M          CLEARING 21 MUTUAL OFFSET SYSTEM      TIME: 07:17:41
                  CME EXECUTES - INQUIRY/UPDATE      BUS DATE: 07/07/00
                  COMMAND: INQUIRY                  CYCLE: 2

KEY==> CME FIRM: 020  SX  FIRM: _____  TRADE DATE: _____  ORDER NUMBER: _____
        CONTRACT: _____  STATUS: _____  (ACC/CPN/DEL/DPN/
        TRADE ID: _____  PND/REJ/ERR/ALL)

A      A      O      S      R      G
C ORDR  <--CONTRACT-->  B / PRICE  QTY  SX  ACCOUNT  O  S  R  G
T NUM   /S          S          FIRM  NUMBER  G  F  V  S  TRDE  STAT  STAT
                                TRDE  ID    TIME
                                ID    TIME

- 1000 ED 06/01 - _____ B 0929400 0025 012 111111111 1 Y N 44993 1057 PND
- 1000 EY 09/00 - _____ S 0996750 0100 012 111111111 1 Y N 44994 1057 PND
- 0004 ED 09/00 - _____ B 0931650 0100 012 111111111 1 N N 44992 1057 PND
- 0002 ED 09/00 - _____ S 0931650 0200 012 111111111 1 N N 44990 1057 PND
- 0003 ED 09/00 - _____ S 0931700 0058 012 111111111 1 N N 44991 1057 PND
- 1000 ED 12/00 - _____ B 0929800 0050 012 111111111 1 _ N 97000 1221 PND
- 1000 ED 12/00 - _____ B 0929800 0050 012 111111111 1 Y N 30001 1850 PND
- 0001 EY 09/01 - _____ B 0992850 0670 012 111111111 1 N N 44989 1057 PND
- 0001 ED 09/00 - _____ S 0931500 0029 012 111111111 1 N N 30002 1850 PND

PRESS PF8 FOR ADDITIONAL DATA.
PF KEYS: 1=HELP 3=EXIT 5=REFRESH 7=BKWD 8=FWD 9=TOGGLE 12=QUIT
  
```

SCREEN OVERVIEW

The **CME EXECUTES – INQUIRY/UPDATE** screen is used by firms to change, delete or reverse MOS trades. Firms also have the capability to selectively display trades by foreign firm, order number, contract or status, by entering filtering criteria information in the fields located at the top of the screen.

There are three commands for this screen: **CHG**, **DEL**, and **REV**. If you are inquiring on a prior business day's transactions the only valid command will be **REV**.

Pressing **<F9>** on this screen will toggle the CME Order Number Field to show the CME Trade Date.

PROCEDURE

A. TO CHANGE AN MOS TRADE:

1. Enter a **C** for change in the **ACT** (action) field. **<Tab>** to the field(s) you want to change and enter the new data.
2. Press **<Enter>**. The status will change from **PND** (pending) to **CPN** (change pending).
3. Once the C21 MOS System has checked the foreign exchange's database, the status will change to **PND**. If the trade has already been accepted or rejected by the foreign firm, the status will change to **ACC** or **REJ**, respectively.

Note, only the quantity, account number and foreign firm number may be changed.

B. TO DELETE AN MOS TRADE:

1. Enter a **D** for delete in the **ACT** field.
2. Press **<Enter>**. The status will change from **PND** (pending) to **DPN** (delete pending).
3. Once the MOS has checked the foreign exchange's database, the status will change to **DEL**. If the trade has already been accepted or rejected by the Singapore firm, the status will change to **ACC** or **REJ**, respectively.

C. TO REVERSE AN MOS TRADE:

1. To reverse an MOS trade that was accepted in error, enter an **R** in the **ACT** field. By altering the quantity field, a firm may reverse a lesser quantity.
2. Press **<Enter>**. The status will change from **ACC** (accepted) to **REV** (reversed) and will be pending for the foreign firm to accept.

Note that if the trade was executed in Singapore, the SGX must enter the reversal.

If the trade was executed in Chicago, the CME firm must enter the reversal.

D. Trade Status:

The following is a list of the possible values for Status:

<u>Status</u>	
PND	= Pending
ACC	= Accept
REJ	= Reject
DEL	= Delete
CPN	= Change Pending
DPN	= Delete Pending

The 'Status' field will automatically be populated with "PND" (pending) upon the initiation of an allocation to the SGX firm. The status will be changed when the allocating firm modifies or deletes the trade, or when the receiving firm accepts or rejects the allocation.

```

MOSCU030          CHICAGO MERCANTILE EXCHANGE          DATE: 08/11/00
MOS030M          CLEARING 21 MUTUAL OFFSET SYSTEM      TIME: 07:34:33
                  CME CONFIRMATIONS - ACCEPT/REJECT   BUS DATE: 07/07/00
COMMAND: ACC/CHG/REJ                                CYCLE: 2

KEY====> CME FIRM: 312   SX   FIRM:      TRADE DATE:      ORDER NUMBER:
          CONTRACT:      STATUS: PND (ACC/APN/DEL/PND -
          TRADE ID:      REJ/RPN/ALL)

A          B          O C F          A
C          /          R T E          S R
T          S          G I E          O E
FIRM      PRICE  QTY   ACCOUNT      F V   TRADE STAT
-----
228 5998 ED 09/01 -- B 0930050 0010 11111111 1 - 5 -- N 00211 PND
228 5986 ED 03/02 -- B 0930250 0005 11111111 1 - 5 -- N 00379 PND
228 5020 ED 09/02 -- B 0930100 0020 11111111 1 - 5 -- N 00330 PND
228 5020 ED 09/02 -- B 0930100 0010 11111111 1 - 5 -- N 00328 PND
228 5997 ED 12/02 -- B 0929450 0005 11111111 1 - 5 -- N 00227 PND
228 5997 ED 12/02 -- B 0929450 0045 11111111 1 - 5 -- N 00223 PND
228 5020 ED 12/02 -- S 0929550 0020 11111111 1 - 5 -- N 00331 PND
228 5020 ED 12/02 -- S 0929550 0010 11111111 1 - 5 -- N 00329 PND

NO MORE DATA AVAILABLE FOR THIS CRITERIA.
PF KEYS: 1=HELP 3=EXIT 5=REFRESH 7=BKWD 8=FWD 9=TOGGLE 12=QUIT

```

SCREEN OVERVIEW

The **CME CONFIRMATIONS – ACCEPT/REJECT** screen is used by firms to accept, change or reject MOS trades submitted for inter-exchange transfer by a Singapore firm. Firms also have the capability to selective display trades by foreign firm number, order number, contract or status, by entering filtering criteria information in the fields located at the top of the screen.

Pressing **<F9>** on this screen will toggle the Foreign Order Number Field to show the Foreign Trade Date.

PROCEDURE

A. TO ACCEPT AN MOS TRADE:

1. Enter an **A** for accept in the **ACT** (action) field and
2. Press **<Enter>**. The status will change from **PND** (pending) to **APN** (accept pending).
3. Once the C21 MOS System has checked the foreign exchange's database, the status will change to **ACC**.

B. TO CHANGE AN MOS TRADE:

1. Enter a **C** for change in the **ACT** (action) field. **<Tab>** to the field(s) you want to change and enter the new data.
2. Press **<Enter>** to complete changes.

C. TO REJECT AN MOS TRADE:

1. Enter an **R** for reject in the **ACT** (action) field and
2. Press **<Enter>**. The status field will change from **PND** (pending) to **RPN** (reject pending).
3. Once MOS has checked the Singapore Exchange's database, the status will change to **REJ**.

D. Trade Status:

The following is a list of the possible values for Status:

Status

PND	=	Pending
ACC	=	Accept
REJ	=	Reject
DEL	=	Delete
APN	=	Accept Pending
RPN	=	Reject Pending

The '*Status*' field will automatically be populated with "PND" (pending) upon the initiation of an allocation to CME. The status will be changed when the allocating firm modifies or deletes the trade or when the receiving firm accepts or rejects the allocation.

```

MOSCU040          CHICAGO MERCANTILE EXCHANGE          DATE: 04/14/00
MOS040M          CLEARING 21 MUTUAL OFFSET SYSTEM      TIME: 12:29:45
                CME CONFIRMATION - AUTO ACCEPTANCE PARAMETERS  BUS DATE: 02/16/00

COMMAND: ADD/CHG/DEL

KEY===>  CME FIRM: 700      SX FIRM: 188      <-----DEFAULTS----->
                                                CME ACCT  ORG  CTI  FEE
A          SX          FIRST  LAST
C          FIRM  ACCOUNT  QTY/TRD  ACCEPT  ACCEPT
T          NUMBER
-----
_  188  88888  0010  0900  0859  _____  1  4  C
_  _____  _____  _____  _____  _____  _____  -  -  -
_  _____  _____  _____  _____  _____  _____  -  -  -
_  _____  _____  _____  _____  _____  _____  -  -  -
_  _____  _____  _____  _____  _____  _____  -  -  -
_  _____  _____  _____  _____  _____  _____  -  -  -
_  _____  _____  _____  _____  _____  _____  -  -  -

NO MORE DATA AVAILABLE FOR THIS CRITERIA.
PF KEYS: 1=HELP 3=EXIT 5=REFRESH 6=CLEAR 7=BKWD 8=FWD 12=QUIT

```

SCREEN OVERVIEW

The **CME CONFIRMATION - AUTO ACCEPTANCE PARAMETERS** screen allows a firm to specify all the SGX firms from which they will automatically accept MOS trades. Firms may specify:

- ◆ A specific SGX account number to accept for a specific CME account number.
- ◆ A maximum trade quantity to accept from the foreign firm
- ◆ Auto-Accept from all Foreign Firms by using "ALL" in the Foreign Firm Field.
- ◆ The first time and last time of the day that your firm will auto-accept trades from the Foreign Firm. This is in 24-hour time format (e.g. 3:30 PM = 1530)
- ◆ Default Account, Origin, CTI and Clearing Fee Indicators may also be established.

PROCEDURE

A. ADDING AUTO ACCEPTANCE PARAMETERS

1. Enter an **A** for add in the **ACT** (action) field. Continue entering all the required data in the trade information on the entry lines below the field description titles. If you do not completely fill the field, use the **<Tab>** key to move to the next field.
2. Press **<Enter>** when complete.

B. CHANGING AUTO ACCEPTANCE PARAMETERS

1. Enter a **C** in the **ACT** (action) field of the line item you want to change. **<Tab>** to the field (s) you want to change and enter the new data.
2. Press **<Enter>** to complete changes.

C. DELETED AUTO ACCEPTANCE PARAMETERS

1. Enter a **D** for delete in the **ACT** (action) field of the line item you want to delete.
2. Press **<Enter>** to delete the auto-accept parameter.

The following field definitions are valid for the Clearing 21[®] Mutual Offset System:

SCREEN FIELD DESCRIPTIONS				
Field Name	Format	Size	Req	Field Description
ACCT NUMBER	AN	10	N	Account number for which the trade was executed.
ASOF	A	1	N	As-of MOS: Y =Yes, blank = No
B/S	N	1	Y	Buy/Sell indicator -- 1 or B = Buy, 2 or S = Sell
CONTRACT	AN	12	Y	Multiple fields consisting of: Commodity - Two-character commodity code. Contract Month/Year. Input format = MMY ^{YY} or MM/YY. Call/Put Indicator - Input format = C or P. Strike Price - 4 digit option strike price.
CTI	AN	1	Y	Customer Type Indicator = 1, 2, 3, or 4
FEE	N	1	Y	Clearing fee indicator = B, C, E, H, L, M, T.
FIRM	N	3	Y	Three position clearing firm number.
GUS	N	3	N	Indicates if MOS trade is from the Give Up System: Y =Yes, blank =No (future functionality)
MOS PRICE	N	7	Y	The price at which the MOS trade was executed.
MOS QTY	N	5	Y	Number of contracts bought or sold.
ORDR NBR	AN	4	N	Executing firm's card or order number.
ORIGIN	AN	1	Y	Origin type code - 1 =House, 2 =Customer.
OTI	A	1	N	Order Type Indicator: S =Stop, L =Limit, M =Market, E =Error, C =MOC, D =DRT, Q =Others, Z =Rule 527 Liquidation order. (Default = Q)
REC ID	N	5	N	CME-assigned Record I.D. (Trade I.D.)
REV	A	1	N	Indicates if MOS trade is a reversal: Y =Yes, N =No
STAT TIME	N	8	Y	Time MOS trade was last acted upon.
STATUS (STS)	A	10	Y	Status of MOS: PND (pending), ACC (accepted), REJ (rejected), DEL (deleted), CPN (change pending), APN (accept pending), RPN (reject pending), DPN (delete pending).
FOREIGN FIRM	N	3	Y	The Foreign Firm's clearing number.
TRADE DATE	N	6	Y	A valid CME trade date. Input format = MM/DD/YY.
TRADE TYPE (TT)	N	1	Y	A valid Trade Type: 1 = Pit, 6 = Spread, 9 = EFP.

MUTUAL OFFSET SYSTEM CONTACTS

If you need additional assistance while using the MOS trade entry system, please contact:

CME Clearing - Clearing Services.....312-207-2525

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