CME CLEARING

Corporate Bonds – Acceptable Collateral

Corporate Bonds as Collateral for Cleared Interest Rate Swaps and Futures

Corporate bonds may be pledged as initial margin collateral for cleared OTC IRS and Futures through the Specialized Collateral Program supported by a partnership with Bank of New York Mellon, Brown Brothers Harriman & Co and JPMorgan Chase. Clearing Members are able to post up to $2 billion in corporate bonds.

Bond Details

- High quality bonds with a minimum A- rating by at least two of the following agencies: Fitch, Moody's, Standard & Poor's
- Domestic and global market issuances
- USD denominated
- Vanilla bonds (Fixed rate bullet, callable, or putable)
- At least $400 million in amount outstanding
- TRACE eligible and disseminated
- Banks and CME Clearing Members bonds are not eligible
- Last trade date within 10 business days
- Average 30-day volume of at least $500,000
- Corporate bonds may not exceed 30 years time to maturity

Program Parameters

- 20% haircut
- Concentration limit of $50 million or 2.5% of amount outstanding per issuance, whichever is less
- Concentration limit of $200 million per family, monitored by CME
- Industry diversification at 25% level per industry, after initial $500 million deposit per firm, monitored by CME

Eligible CUSIP List

CME Clearing publishes a list of eligible CUSIPs at the beginning of each month. See the latest CUSIP list at cmegroup.com/collateral.

For additional information, please contact ClearingCollateralServices@cmegroup.com

How the world advances

CME Group

PM260/00/0316