

CME GROUP - EXCHANGE FEE SYSTEM UPDATES

JUNE 2016

A. Update to Fee Schedule page on CME Group Website

URL: <http://www.cmegroup.com/company/clearing-fees.html>

- ✓ Current Fee Schedules plus access to historical fee schedules (back to 2014)
 - ✓ Quick Links
 - Other fee schedules such as: OTC IRS and CDS
 - Record Layouts for the Fee data files
 - Fee Policy Bulletins
-

B. Online Membership Notification: CME, CBOT, NYMEX, COMEX

Released in two phases: **February 2016 & April 2016**

Change requested to help better indicate which membership information (for both individuals and organizations) has been recently updated (e.g. seats, dates, applied fee indicator, etc.). Below are instructions for how this feature was incorporated into EFS:

STEP #1: HOMEPAGE

Membership Notifications will work similar to that of the existing Manual Fee Adjustments notification.

- ✓ Alert will be presented on the screen (when applicable to that product exchange).
- ✓ The message will display **“Membership Updates are available for your review”** (*refer to the screen shot for reference*)
- ✓ Click on the link, and you will be routed to the Membership Information Screen.

CME Group Exchange Fee System Home Page **CBOT**

CBOT CCE CME CMEEL DME NYMEX/COMEX

Transaction Viewer Allocation Account Maintenance Membership Information Reports Globex® Registration Adjustment Administration

Manual Fee Adjustments have been updated since last adjustment search

Membership updates are available for your review

Message of the Day
Fee Schedule: Last Updated - January 19, 2015: [CBOT Fee Schedule](#)

Contact Information
Fee Inquiries: Please contact the Fee Hotline at +1 312 648 5470 or EFSAdmin@cmegroup.com
Connection or User Security Inquiries: Please contact EASE at any of the following numbers: U.S. +1 312 456 1560, Europe +44 20 3379 3802, Asia +65 6593 5536 or EASE.Clearing.Application.Request@cmegroup.com

STEP #2: MEMBERSHIP INFORMATION

There will be two links available: “Individual Member Updates” and “Member Firm Updates”. These links will contain downloadable files that can be exported into such software as MS EXCEL.

CME Group Exchange Fee System Membership Information

CBOT CCE CME CMEEL

Transaction Viewer Allocation Account Maintenance Membership Information Reports Globex® Registration

Recent Membership Updates

Individual Member Updates Member Firm Updates

Search Mode

Firm Details

Sort By

Name Id

Firm Details

Not applicable

STEP #3: FILE DETAILS

- ✓ The files will have a rolling 5 days of changes.
- ✓ The current output will detail the last two rows from our membership status display for when something has changed from the previous day (e.g. seats, dates, applied fee indicator, etc.).

STEP #3: Output File: *Pinpointing 'What's Changed?'*

On the output file there are two fields called: **Change Type** and **Trade Date**.

- ✓ **Change Type** values will contain “Update Before”, Update After”, “Insert”
- ✓ **Trade Date** will denote the day EFS denoted the change in Membership Information

```
tradeDate      changeType
06-02-2016    UPDATE_AFTER
```

(**NOTE:** Change Type - will help further indicate “**what’s changed**” especially when comparing **Before** and **After** records, as well as **Insert** which will represent recently added items.)

C. Fee Type Modifications: All-In Fees for CME, CBOT, NYMEX, COMEX**Released: April 1, 2016**

All-In 'Exchange Fee' effective **April 1, 2016** across the product exchanges (CME, CBOT, NYMEX and COMEX), represents the 'addition' of the former Clearing fees, Globex fees, Exchange fees, and Ex-pit Surcharges to obtain a total transaction fee. This did not impact the total fees applied. For example:

ALL-IN Fee Calculation

CME Prior to April 1, 2016						
	Open Outcry	Electronic			Block	
	Clearing Fee	Clearing Fee	GLOBEX Fee	Total Fee	Clearing Fee	Total Fee
Member	\$0.07	\$0.07	\$0.25	\$0.32	\$0.07	\$1.07
Non-Member	\$0.60	\$0.60	\$1.00	\$1.60	\$0.60	\$1.60

CME ALL-IN Exchange Fee as of April 1, 2016			
	Open Outcry	Electronic	Block
Member	\$0.07	\$0.32	\$1.07
Non-Member	\$0.60	\$1.60	\$1.60

Requesting Feedback: How did the implementation/transition go?



D. File Modifications: CME IRS Fee File Layout Modification

Released: April 8, 2016

The updated fee file layouts are available here: [IRS](#).

To support the new Swaption fees for April 11, 2016, added to the end of the file (to allow for truncation if need be) the following seven **new fields**:

- **"TIME TO MATURITY"** – new field identifies the length of the maturity in years
- **"UNDERLYING SWAP START DATE"** – new field identifies the start date of the underlying swap for a given Swaption.
- **"UNDERLYING SWAP END DATE"** – new field identifies the end date of the underlying swap for a given Swaption.
- **"OPTION EXPIRATION DATE"** – new field identifies the expiration date of a given Swaption.
- **"DIRECTION"** – new field identifies the type of trade (e.g. Pay, Receive or Straddle).
- **"CREATE REASON"** – new field identifies the underlying Swaps that were created as the result of the partial assignment of a Swaption.
- **"EXTERNAL DEAL ID"** – new field identifies a given block of trades – when those trades are underlying swaps that were partially assigned from Swaptions.

E. File Modifications: New Column Added to Daily Fee Files for Futures and Options Transactions

Released: April 22, 2016

The updated fee file layouts are available here: [CBOT and NYMEX/COMEX](#) and [CME](#)

Added to the end of the file (to allow for truncation if need be) the following **new field**:

- **"AGGRESSOR INDICATOR"** – To further assist in the fee reconciliation process when Exchange Fees are differentiated for 'passive' volume.

F. Projects on Deck to enhance Customer Experience:

Non-Member Fee Finder; Exchange Fee Download Rate Card; Fee Reconciliation; & Fee Credit Model for Exchange Fees

Non-Member Fee Finder on CMGroup.com

- ✓ Online searchable tool for non-member fees that will be available on cmegroup.com
- ✓ Goal is reduce the inquiries related specifically to non-member rates;
- ✓ Target Release Date: June/July timeframe

Exchange Fee Downloadable Rate Card

- ✓ FIXML format
- ✓ Mainly working with FIS right now, but open to work with other service providers
- ✓ Goal: Allow back-office systems to capture rate changes daily instead of relying on the fee notices or advisories. Once this Card is available, firms can code their back end systems to pull the file every day and highlight any changes.
- ✓ Target Release Date: late Q3/early Q4 (prior to year-end rate modifications)

Fee Reconciliation

- ✓ Partnered work with [Duco](#), to assist with reconciliation of CME & back office files
- ✓ Working with five beta users through October, to help work through specific use cases
- ✓ Focus is on the Referential Files; Membership, Account, & Tag50
- ✓ Assuming POC (Proof of Concept) is successful, we will go live with Membership File first, targeting end of Q3/Q4 release.
- ✓ Plan is for this to be available on CME Customer Center; you will leverage your SmartClick credentials to access DUCO, similar to how you access EFS today.
- ✓ This will be an opt-in model; this does not replace the Exchange Fee System. There will be no cost to use this for the fee data files.
- ✓ Goal: Eliminate the need to invest in infrastructure or IT resources in order to consume fee files offered today. Put this in the hands of the users, in a relatively short period of time.

Fee Credit Model for Exchange Fees

- ✓ Moving towards an itemized statement for the client, rather than the current state of embedding the discount within the rate and the total fees applied. Refer to the example below:

CURRENT STATE

Firm ID	Account	Base Rate	Applied Rate	Fee Quantity	Fee Type	Applied Fees
999	ABCD	0.75	0.68	1,000	Exchange Fee	\$680.00

PROPOSED NEW STATE

NOTE: This is a generalization; layouts and specific details will be communicated as they become available.

Firm ID	Account	Rate	Fee Quantity	Fee Type	Applied Fees
999	ABCD	0.75	1,000	Exchange Fee	\$750.00
999	ABCD	-0.05	1,000	Fee Credit Program A	-\$50.00
999	ABCD	-0.02	1,000	Fee Credit Program B	-\$20.00

Total Fees Due	\$680.00
Total Discount	-\$70.00