CME CLEARING EUROPE NOTICE - CONSULTATION ON THE CLEARING RULES AND CLEARING PROCEDURES

1. CME Clearing Europe Limited (“CMECE”) is consulting on proposed changes to its Clearing Rules and Clearing Procedures (the Rules).

2. The key points to note are:
   - The changes will introduce new account structures (individually segregated accounts and omnibus accounts) which will be compliant with the requirements set out in the European Market Infrastructure Regulation (EMIR). We have also kept our existing house account and non-segregated client account. The latter is a temporary arrangement until changes are made to Part VII of the Companies Act 1989 and the FSA CASS rules.
   - Our rules will set out the treatment of excess collateral in relation to the individually segregated accounts.
   - We have simplified the Clearing Membership Agreement by incorporating the provisions into the rulebook where possible.
   - We are introducing the Client Protection Agreement and Client Acknowledgement as part of our client clearing solution. The purpose of those documents is to facilitate porting and the return of any excess collateral directly to clients in the event of the insolvency of a Clearing Member.

3. We would welcome comments from Clearing Members. Responses should be sent to compliance@cmeclearingeurope.com by 7 September 2012. Please note that the proposed changes set out in Appendix 1 and Appendix 2 also include those changes that were consulted upon in previous Consultation Notice 12-47 of 7 June 2012 and are due to be confirmed shortly.

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Attachments
Appendix 1: Proposed Changes to CMECE Clearing Rules (marked up version)
Appendix 2: Proposed Changes to CMECE Clearing Procedures (marked up version)