CONFIRMATION OF CHANGES TO THE CLEARING RULES AND CLEARING PROCEDURES

Introduction

This Notice confirms changes to the CME Clearing Europe Limited (“CMECE”) Clearing Rules and the Clearing Procedures (“the Rules”), as previously consulted upon.

Settlement Finality

1. In Advisory Notice N11-55 published 14 November 2011, CMECE consulted on changes to its Rules in relation to Settlement Finality. CMECE noted that it had applied to the Bank of England and FSA for designation under the Financial Markets and Insolvency (Settlement Finality) Regulations 1999. On 27 July 2012, CMECE received this designation, and as a result the changes to the Rules that were consulted upon in Notice N11-55 now need to be confirmed. The changes can be found in the new Chapter 10, as well as some additions to Chapter 1 (Definitions and Interpretation).

Powers of Assessment, Gold Collateral and other changes


3. The proposed changes are therefore now able to be confirmed. The changes relate to the following:

- the Powers of Assessment and the Termination Rights;
- the acceptance of gold as collateral;
- the definition of “euro”;
- the delegation power in the event of a default;
- the definition of precious metal contracts and Precious Metal Forward Contracts.
Further Information

4. Please note that CMECE recently launched two further consultations on its Rules (N12-57 on 1st August regarding Client Clearing and N12-58 on 6th August regarding the IRS offering). Whilst every attempt has been made to streamline the rule changes, some overlap is unavoidable. The recent consultations both take account of the changes referenced in N12-47. The only changes related to Settlement Finality can be found in Chapter 10 and do not impact the changes being consulted upon for Client Clearing or the IRS offering.

5. The revised Rules are to be published at the same time as this Notice and will become effective from 20 August 2012. Please see our website: www.cmeclearingeurope.com. Any comments or queries on this Notice should be sent to compliance@cmeclearingeurope.com.

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Attachments

Appendix 1   CMECE Clearing Rules effective 13 August 2012
Appendix 2   CMECE Clearing Procedures effective 13 August 2012
Appendix 3   Comparison of CMECE Clearing Rules effective 13 August 2012 against current version (14 November 2012)
Appendix 4   Comparison of CMECE Clearing Procedures effective 13 August 2012 against current version (14 November 2012)