TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers
Margin Managers

FROM: CME Clearing Europe Limited (the Clearing House)

ADVISORY No.: 15-22

SUBJECT: CMECE Collateral Haircut Update

DATE: Wednesday, April 1st, 2015

CME Clearing Europe has undertaken reviews of the haircuts applied to member margin and guarantee fund collaterals across both cash and non-cash categories. Revised haircuts are detailed in this advisory notice.

CME Clearing Europe continues to reserve the right to use its discretion in all circumstances and, in particular, around areas of specific concentration in securities received as margin collateral, including ‘wrong-way’ risk.

Details of the Acceptable Collateral list and associated haircuts can be found on the CME Clearing Europe website: http://www.cmegroup.com/europe/clearing-europe/risk-management/collateral.html

The revised haircuts will be effective after the close of business on

Thursday, April 2nd, 2015

If you have any questions, please contact Dennis Mullany Dennis.Mullany@cmegroup.com or Tina Min Tina.Min@cmegroup.com
The latest changes are:

1) **Government bond:**
   - Denmark $T<1y$ – increase from 1% to 2%
   - Finland $T<1y$ – increase from 1% to 2%
   - Switzerland $T < 1y$ – increase from 1% to 2%
   $2y \leq T <5y$ – increase from 2% to 5%
   $5y \leq T <7y$ – increase from 3% to 5%

2) **Cash**
   - CHFUSD – increase from 9% to 20.0%
   - CHFGBP – increase from 9% to 20.0%
   - CHFEUR – increase from 9% to 20.0%
   - GBPEUR – increase from 6% to 7%