CME Clearing Europe Approval Criteria for Settlement Banks
(as at 27/08/13)

- The Settlement Bank must have a minimum long term rating of A- by Fitch or an equivalent long-term rating from Moody's or Standard & Poor's.
- The settlement bank services arrangement must be operated from a branch located in the European Union.
- The Settlement Bank must enter into a Settlement Bank Agreement with CME Clearing Europe.
- Accounts held in the name of CME Clearing Europe must attract interest at a rate communicated by the Settlement Bank daily and paid/deducted monthly.
- The Settlement Bank must be able to provide the settlement bank services on UK, US and Target2 business days as defined by CME Clearing Europe.
- The Settlement Bank must join the SWIFT closed user group to accept MT204 messages from CME Clearing Europe.
- The Settlement Bank must agree to accept SWIFT messages from CME Clearing Europe’s BIC address CCEXGB2L. CME Clearing Europe will send Settlement Banks the following message types:
  - MT202 to instruct payment to CME Clearing Europe accounts internally and externally
  - MT202 to instruct payment to Clearing Member accounts internally
  - MT204 to instruct debit of Clearing Member Accounts
  - MT210 pre advice of incoming funds from accounts specified on each message
  - MT199 to communicate on an ad hoc basis.
- The Settlement Bank must agree to issue the following message types:
  - MT910 messages, in some cases to undertake, and in others to confirm, credit
  - MT950 messages, which are daily statements quoting transaction reference numbers from the credit/debit instructions.
- If the Settlement Bank cannot transmit any such messages by SWIFT, CME Clearing Europe may, at its discretion, consider whether to accept messages by another electronic reporting tool approved by CME Clearing Europe.
- The Settlement Bank must accept SWIFT instructions generated by CME Clearing Europe both during and outside UK business hours. These instructions will be acted upon to ensure the correct value date if received by the agreed payment cut off times.
- The Settlement Bank must have the ability to process payments and release funds to the interbank system within two hours of receipt of the instruction provided that there are sufficient funds or a covering credit facility in the relevant account.
- Any limitations or cut-off times during normal operation and bank holidays, and any minimum balance/non-interest bearing levels etc. must be advised to CME Clearing Europe in writing.
- The Settlement Bank must seek approval from the CME Clearing Europe Risk Committee to provide settlement bank services and must provide any information that the Risk Committee deems necessary in order to complete the approval process. The decision of the CME Clearing Europe Risk Committee is final and non-negotiable.
- CME Clearing Europe reserves the right to apply criteria higher than the minimum at its absolute discretion and when in its assessment, a Settlement Bank's financial resources or operational capability are not commensurate with its level of business.