17 December 2010

For the attention of the Chairman/
Senior Partner/ Compliance Officer,
all Clearing Members

Ref: N01/10

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

Introduction

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

Background

2. The Rules will govern the relationship between CMECE and our Clearing Members. We are keen to get Clearing Members’ thoughts and views on the Rules so that we can incorporate any enhancements. Please note that Contract Specific Modules will be consulted upon separately.

3. Clearing Members are invited to comment on all aspects of the Clearing Rules and the Clearing Procedures and may be particularly interested in chapter 7 on the Guarantee Fund and chapter 8 on the Default Rules.

4. Chapter 8 also sets out what would happen in the event of the Insolvency of the Clearing House (section 8.7). This provides CMECE with the ability to treat Clearing Members as if they were defaulting members, which creates a mechanism to allow CMECE to use the powers set out under chapter 8 to manage members’ positions (i.e. the same steps will be followed in the event of either Clearing House insolvency or the default of a Clearing Member). CMECE would like to know your comments or suggestions on the approach taken.

Consultation

5. The proposed Rules can be found on our website: www.cmeclearingeurope.com. Responses should be sent to compliance@cmeclearingeurope.com by 21 January 2011.

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Calls to CME Clearing Europe Limited maybe recorded to enable it to carry out its regulatory responsibilities