11 October 2011

For the attention of the CEO/
Compliance Officer,
all Clearing Members

Ref: N11/40

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

Introduction

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

Background

2. Subject to regulatory approval, CMECE plans to launch London Gold Forward Contracts which will be physically settled. This requires additional clauses to be added to the Clearing Rules and Clearing Procedures. These are mainly set out in a new Chapter 11 in the Clearing Rules and a new ‘Delivery Procedures’ section of the Clearing Procedures. Full details can be found in the attached Appendices.

3. In particular, we would like to hear your views on new section 7 of the Delivery Procedures which covers early close out prior to the delivery day. This close-out option offers greater flexibility and mirrors provisions for the clearing of LGF at CME Clearing in the US.

4. In addition, CMECE is taking this opportunity to make the following changes to the rulebook:

   - A new Waiver of Sovereign Immunity clause (rule 2.10)

   - Extension from 5 Business Days to 30 Calendar Days of the deadline for submitting “other” (unaudited) financial statements (rule 3.4.1(b) and the Membership Procedures).

   - Changes to the Disciplinary Proceedings (9.4) to set out full details of the composition of the Disciplinary Panel.

5. CMECE plans to launch a consultation on other aspects of the Rulebook in due course.
Consultation

6. We welcome comments from Clearing Members. Responses should be sent to compliance@cmeclearingeurope.com by 25 October 2011.

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Attachments  
Appendix 1: Proposed Changes to CMECE Clearing Rules  
Appendix 2: Proposed Changes to CMECE Clearing Procedures