

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 18-152

SUBJECT: Rough Rice Shipping Certificate Conversion

DATE: April 13, 2018

As previously announced (see <u>SER-8109</u>), all deliveries beginning with the May 2018 Rough Rice futures contract will be via shipping certificates.

On April 23, 2018, all outstanding warehouse receipts within Deliveries Plus will be cancelled. To complete conversion to shipping certificates and maintain inventory with the Exchange, owners' clearing agents must request new registration of product in Deliveries Plus which will allot new shipping certificate numbers.

In addition, because the Exchange holds collateral for all outstanding shipping certificates, owners' clearing agents must provide collateral before registration requests can be approved. The issuers' clearing agents will have the option to post letters of credit, cash, or existing eGrain warehouse receipts as collateral. Those choosing to post warehouse receipts must transfer ownership of such receipts to CME Clearing via the eGrain system.

Storage

The process of storage pays and collects will change with the conversion of warehouse receipts to shipping certificates from a clearing firm to clearing firm process to one facilitated automatically within the CME Deliveries Plus monthly storage process. May 18, 2018 will be the first Deliveries Plus storage charge collection. A Deliveries Plus storage charge collection will occur on the 18th calendar day of each subsequent month, which will cover storage from the 18th calendar day of the previous month to the 17th calendar day of the current month.

Please refer questions to:

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