



Advisory Notice

Clearing House

12-286

DATE: July 10, 2012

TO: Clearing Member Firms
Back Office Managers
Service Providers

FROM: CME Clearing

SUBJECT: **CDS Production and CME CORE – Removal of 100k Notional Rounding
for Margin Calculation of our CDS products in Production**

Please be advised CME will be removing the 100,000 notional rounding for margin calculation of our CDS products in Production. These changes will be taking place with an effective date of Monday, July 16th 2012. CME CORE will also be modified and will have the 100k notional rounding removed for CDS products in Production. These changes will allow for true notional margin calculation in our Production environment as well as CME CORE.

Effective Monday, July 16th, firms utilizing the CME ASP margin calculation service for Production will now have to express positions in true notional quantities as opposed to units of 100,000. Similarly, for anyone currently using PC-SPAN to calculate Production margin requirements, the position quantities used will need to switch to true notional as well.

Please contact onboarding@cmegroup.com or 1.312.338.7112 if you have further questions.