

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 13-269

SUBJECT: **USD Interest Rate Swap Futures – Delivery Process, June 2013**

Please be advised that the following delivery process and schedule will be in effect for the June 2013 delivery cycle. All times of day are Central Standard Time unless otherwise noted.

June 10th through June 14th

- In accordance with CBOT Rules 51104.C, 52104.C, 53104.C, and 54104.C, firms are obligated to report details of any open interest in expiring futures contracts to the Clearing House. Such information shall be reported in the form of an intent submission in Deliveries Plus. Firms shall submit this information every business day, between 8:00 am and 8:00 pm, during the last five days of trading in expiring futures.
- Once a firm reports such information, the firm does not need to resend it, unless the firm's positions or delivery instructions have changed.
- If a firm does not anticipate any delivery on outstanding open interest, the firm must provide Clearing with written notification, directed to clearinghousedelivteam@cmegroup.com.
- **Delivery Instructions** – For any futures clearing firm instructing delivery through an unaffiliated IRS Clearing Member, ie, an IRS Clearing Member that is not also the originating futures clearing firm, the following process will apply through last intent day.
 - The IRS Clearing Member will receive from Clearing a report providing details of pending delivery instructions.
 - For each such pending delivery, the IRS Clearing Member receiving the report **must** provide Clearing with an approval or rejection response, directed to clearinghousedelivteam@cmegroup.com.
 - If an IRS Clearing Member rejects a pending delivery, Clearing will work with the futures clearing firm to resolve delivery instructions. An IRS Clearing Member must provide such approval or rejection response no later than 12:30 pm on the Acceptance Date and Clearing Effective Date of the expiring futures contract.

Monday, June 17, 2013 – Last Trading Day

- Trading ceases at 2:00 pm.
- Firms have until 8:00 pm to submit or change delivery instructions.

Tuesday, June 18, 2013 – Last Intent Day

- Firms have until 12:00 noon to make any changes to delivery instructions.
- By 6:00 pm. IRS clearing firms will receive details of contract-grade interest rate swaps to be delivered or accepted for delivery, including amounts of any upfront payments either due or payable. Such details will be available on cleared confirm messages with tag “DSF,” and trade register reports also will outline such details and upfront payment amounts.
- By 10:00 pm, initial margin and variation amounts required in connection with interest rate swaps delivered or accepted for delivery are made available to IRS Clearing Members.
- By end of the processing day, futures clearing firms’ futures positions are removed.

Wednesday, June 19, 2013 – Delivery Day

- By 7:30 am, payments of initial margin, variation, and any upfront payments entailed in delivery are complete.

Special Notes:

- To make or accept delivery on an expiring USD Interest Rate Swap futures contract, a position holder is required to be:
 - an Eligible Contract Participant as defined in Section 1a (18) of the Commodity Exchange Act (7 USC § 1a (18) and 17CFR 1.3 (m)) and
 - either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005. B.)
- The Exchange business day prior to the expiring futures contract’s delivery day is the “**Acceptance Date**” and “**Clearing Effective Date**” for interest rate swaps to be delivered or accepted for delivery.
- The “**IRS Effective Date**” is the delivery date of the swap.

If there are any questions, please contact Deliveries at 312.930.3172 or email clearinghousedelivteam@cmegroup.com.