

13-580

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

Subject: OTC Holiday Advisory – Christmas and New Year’s Day

CME clearing will be open for clearing interest rate swaps on Christmas Day, Wednesday December 25, because it is a banking business day for Japanese Yen (JPY). Trades submitted for clearing in JPY-denominated swaps on that day will be included in the end-of-day clearing cycle on Wednesday, December 25.

For specific information on how this will impact CME Clearing’s processing and trade submission timelines, please refer to the information below.

Trade Submission and Variation Margin Settlement:

For CDS trades, CME clearing will not accept any CDS trades for clearing on Wednesday, December 25th, 2013 and Wednesday, January 1st, 2013.

Please refer to the table below for information relating to trade submission and currency settlement dates for IRS:

Trade Date	Currency	Clear Date	Upfront Fee Settlement Date
Wednesday, December 25th	USD	Thursday, December 26 th	Friday, December 27 th
	JPY	Wednesday, December 25 th	Friday, December 27 th
	MXN	Thursday, December 26 th	Friday, December 27 th
	All other T+1 currencies	Friday, December 27 th	Monday, December 30 th
	All other T+2 currencies	Friday, December 27 th	Tuesday, December 31 st

Trade Date	Currency	Clear Date	Upfront Fee Settlement Date
Wednesday, January 1st	NZD, CHF	Friday, January 3 rd	Tuesday, January 7 th
	JPY	Monday, January 6 th	Wednesday, January 8 th
	All other T+1 currencies	Thursday, January 2 nd	Friday, January 3 rd
	All other T+2 currencies	Wednesday, January 2 nd	Friday, January 4 th

For example, for CAD, EUR and GBP swaps submitted for clearing on Wednesday, December 25th, 2013, will clear on December 25th, 2013 but the cleared date will be Friday, December 27th, 2013 as Thursday, December 26th, is a holiday too for these currencies. This means that the variation margin and upfront fees for these trades will settle on Monday, December 30th, 2013.

Swaps submitted for clearing on Wednesday, January 1st, 2013 will clear on January 1st, 2013 but the cleared date will be the next valid business day in that currency.

Special Case for JPY settlement on Thursday, December 26th:

As the settlement banks are closed on Christmas day, the value date for all JPY-denominated variation amounts in the end-of-day clearing cycle on Tuesday December 24, will be Friday December 27 (to allow banks in the US and Europe to confirm settlements on Thursday December 26.)

Payment Calculation Date	Currency	Adjusted Settlement Date
Tuesday, December 24th	JPY	Friday, December 27th

Price Alignment Interest:

The table below provides information related to PAI calculation for both the Christmas and New Year's Day holidays.

Close of Business Date	Currency	Number of Days for PAI
Monday, December 23th, 2013	SEK, DKK, CZK, HUF	4
Tuesday, December 24th, 2013	USD, MXN, SGD	2
	JPY	1
	All other currencies	3

Close of Business Date	Currency	Number of Days for PAI
Monday, December 30th, 2013	JPY	7
	SEK, DKK	3
Tuesday, December 31st, 2013	NZD, CHF	3
	All other currencies	2

For example, at close of business on Tuesday December 31st - On USD, CAD, EUR, CHF, AUD and GBP denominated swaps; CME Clearing will calculate two days of PAI (Tuesday and Wednesday).

Since, Christmas is a banking business day in Japan, the calculation of price alignment interest at end-of-day on Tuesday December 24, will cover two calendar days – from Tuesday December 24 to Thursday December 26.

Initial Margin Calculations:

Close of Business Date	Product	Currencies	Will CME generate new IM requirements?
Wednesday, December 25 th , 2013	IRS	All currencies	Yes
	CDS	USD	No
	OTC FX	All Currency Pairs	No

Close of Business Date	Product	Currencies	Will CME generate new IM requirements?
Wednesday, January 1 st , 2013	IRS	All currencies	No
	CDS	USD	No
	OTC FX	All Currency Pairs	No

EOD Reporting:

Please refer to the table below for CME Clearing's plans to produce end of day reporting in both the New Release and Production environments for both the Christmas and New Year's Day holiday.

Date	Product	Environment	EOD Reports Produced?
Wednesday, December 25 th , 2013	CDS	Production	Yes
	CDS	New Release (UAT)	Yes
	IRS	Production	Yes
	IRS	New Release (UAT)	Yes
Wednesday, January 1 st , 2014	CDS	Production	No
	CDS	New Release (UAT)	No
	IRS	Production	No
	IRS	New Release (UAT)	No

CDS Price Submission:

Date	CDS Price Submission Schedule
December 24 th & December 31 st	Early Price Submission – Price Submissions due at 2:35 p.m. ET
December 25 th and January 1 st	No price submission required.

On Tuesday, December 24th, 2012 and December 31st, 2012 CME Clearing will be following the schedule outlined below -

- **Publication of early CDS settlement price file:** 12:30 p.m. ET (11:30 a.m. CT)
- **Publication of Preliminary Dealer Feedback Files:** 1:05pm ET (12:05pm CT), 1:35pm ET (12:35pm CT), 2:05pm ET (1:05pm CT)

- **Dealer Price Submission Deadline:** 2:35 p.m. ET (1:35 p.m. CT)
- **Publication of Final PQA Dealer Feedback Files:** 2:45 p.m. ET (1:45 p.m. CT)
- **Publication of final CDS settlement price file:** 3:30 p.m. ET (2:30 p.m. CT)

If you have questions, please contact the CME Client Services Team at onboarding_clearing@cmegroup.com.

Regards,
CME Clearing