

## FX PRODUCTS

# FX Through CME ClearPort

Flexible, secure clearing services for the global OTC FX market.



CME ClearPort is a comprehensive set of flexible solutions for substantially mitigating counterparty credit risk in the OTC marketplace. The open-access, platform-agnostic structure of CME ClearPort means you have access to a post-execution clearing service that lets you control how, with whom and on what terms you trade – while increasing your security, efficiency and confidence.

### Mitigate your counterparty risk.

CME ClearPort uses a central counterparty clearing model, where counterparty credit risk is shared among clearing members. This allows the central clearing house to guarantee the performance of every transaction.

### Benefit from segregated funds.

Our cleared OTC FX transactions are covered under a 4d order by the Commodity Futures Trading Commission (CFTC). This allows us to offer you the added benefit of segregation of funds and bankruptcy portability of your positions and funds in case of a default.\*

### Trust more than a century of experience.

For more than 100 years, no CME clearing member has failed to meet a performance bond call or its delivery obligations. And no customer has lost funds as a result of the failure of a clearing member firm.

### Access independent, third-party valuations.

CME ClearPort gives you access to neutral, third-party valuations and our daily mark-to-market process enables you to track positions accurately and assess risk.

### Enhance operational efficiency.

Post-trade clearing and processing with CME ClearPort eliminates significant documentation time. In addition, all OTC FX positions (e.g., spot, forwards, swaps, options, NDFs, etc.) sent to CME Clearing allow for the same powerful cross-margin efficiencies as exchange-traded FX futures and options.

\* The 4d order currently applies to products and currencies available at launch; additional currency pairs, options and NDFs are pending CFTC approval.

## Scope of Service

---

### Products Available at Launch:

- Spot, swaps and forwards
- Flexible notional values and settlement dates
- Tenors out to five years

### Currencies Available at Launch:

- |                     |         |                        |         |
|---------------------|---------|------------------------|---------|
| • Euro              | EUR/USD | • Swiss franc          | USD/CHF |
| • Japanese yen      | USD/JPY | • Canadian dollar      | USD/CAD |
| • British pound     | GBP/USD | • Euro – Japanese yen  | EUR/JPY |
| • Australian dollar | AUD/USD | • Euro – British pound | EUR/GBP |

*All cleared in interbank terms.*

### Coming Soon:

- FX options
- Additional currency pairs
- NDF currencies

---

## Maintain your choice of trading venue and execution style.

CME ClearPort lets OTC FX market participants trade what they want, where they want and how they want – all with the performance guarantees of CME Clearing.

To learn more, contact the CME Group FX team or visit [www.cmegroup.com/fxclearing](http://www.cmegroup.com/fxclearing).

**CHICAGO** +1 312 930 3148

**SINGAPORE** +65 6593 5561

**LONDON** +44 207 796 7122

**TOKYO** +81 3 5403 4829

# Clearing OTC FX Through CME ClearPort

## Increase your trading flexibility. Mitigate your counterparty credit risk.

CME ClearPort is a comprehensive set of flexible clearing services for the OTC market. Launched in 2002 to provide centralized clearing services and mitigate risk in the energy marketplace, today CME ClearPort clears transactions across multiple asset classes. With OTC clearing through CME ClearPort, you can continue to negotiate your own prices privately and conduct business off exchange – but you gain increased security, efficiency and confidence.

- Clears more than 500,000 contracts daily.
- Brings together more than 10,000 registered users – commercial, banking, hedge funds, trading entities – IDBs, FCMs and clearing firms.
- Features more than 700 products available for clearing, with more to come.

## Comprehensive clearing services.

CME ClearPort offers an array of clearing services, allowing us to tailor our services to the needs of our customers. CME ClearPort's FX capabilities range from clearing OTC FX transactions to reporting Block Trades and EFPs of our standard listed products.

OTC transactions cleared through CME ClearPort

Block Trades and EFPs of our listed products through CME ClearPort

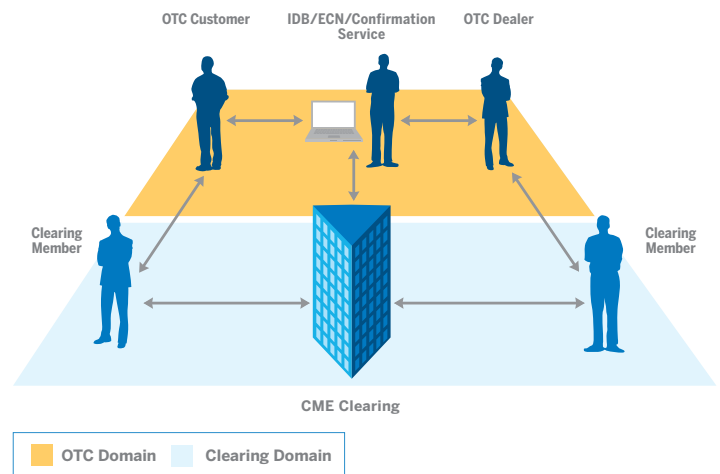
## A complementary service with added security.

CME ClearPort preserves the customer and dealer relationship and adds an extra level of protection to the transaction.

Here's how it works:

- Customers (such as corporate treasuries, asset management firms, hedge funds and proprietary trading firms) continue to negotiate transactions bilaterally in the OTC market. Then they clear those transactions through a CME clearing member.
- Clearing members collect margin from clients, who in turn provide margin to CME Clearing.
- In the event your original counterparty (clearing member/dealer/other customer) defaults, the central counterparty covers the counterparty's obligations, insulating you – and other clearing members, dealers and customers – from losses.

Together, CME ClearPort's added layer of credit risk mitigation and independent valuations complement existing relationships and give OTC FX customers added certainty.



# Get Started Today

## How to register for clearing through CME ClearPort.

Getting started to clear through CME ClearPort is easy. When an account has been established with a CME clearing member, you simply complete the online registration form. Once approved, you'll immediately be able to clear OTC FX trades as approved with the clearing member.

1.

Establish an account with a CME clearing member.

2.

Visit [www.cmegroup.com/clearport](http://www.cmegroup.com/clearport) and complete the online Exchange User License Agreement (EULA), whether you are a broker or a trader.

3.

Once you have received your username and password, contact the clearing or risk staff person at your clearing member firm and request that your clearing account be added to RAV (Risk Allocation Value) Manager. You should inform your clearing firm as to which OTC brokers (if any) should be allowed to enter trades for clearing on your behalf. You will then be given permission for any markets you wish to clear.

## How to begin entering trades for clearing through CME ClearPort.

Customers have three options for reporting the trade for clearing through CME ClearPort.

### Broker Entry

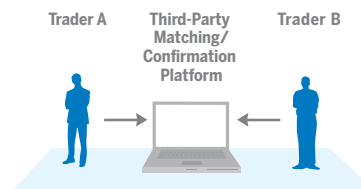
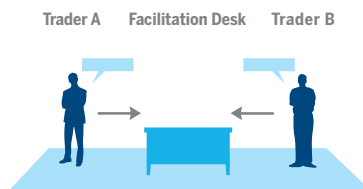
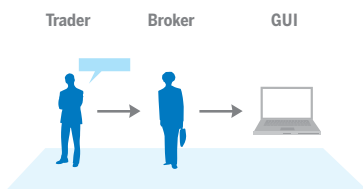
Once a deal is reached, the broker enters the trade into the CME ClearPort Web-based user interface (GUI) or CME ClearPort API.

### Facilitation Desk

Once a deal is reached, one of the traders calls the CME ClearPort facilitation desk. The facilitation desk contacts the other trader to confirm. When the desk has confirmation from both parties, it processes the trade.

### Third-Party Matching

In this scenario, two traders are matched by a third-party matching/confirmation platform. The matching platform writes the trade directly into the CME ClearPort API.



To learn more about FX through CME ClearPort, visit [www.cmegroup.com/fxclearing](http://www.cmegroup.com/fxclearing).

CHICAGO +1 312 930 3148

SINGAPORE +65 6593 5561

LONDON +44 207 796 7122

TOKYO +81 3 5403 4829

The contracts in this piece are listed with, and subject to, the rules and regulations of CME.

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade.

All references to options refer to options on futures.

CME Group is a trademark of CME Group Inc. The Globe logo, E-mini, Globex, CME and Chicago Mercantile Exchange are trademarks of Chicago Mercantile Exchange Inc. Chicago Board of Trade is a trademark of the Board of Trade of the City of Chicago, Inc. NYMEX is a trademark of the New York Mercantile Exchange, Inc.

The information within this brochure has been compiled by CME Group for general purposes only. CME Group assumes no responsibility for any errors or omissions. Additionally, all examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience. All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and CME Group rules. Current rules should be consulted in all cases concerning contract specifications.