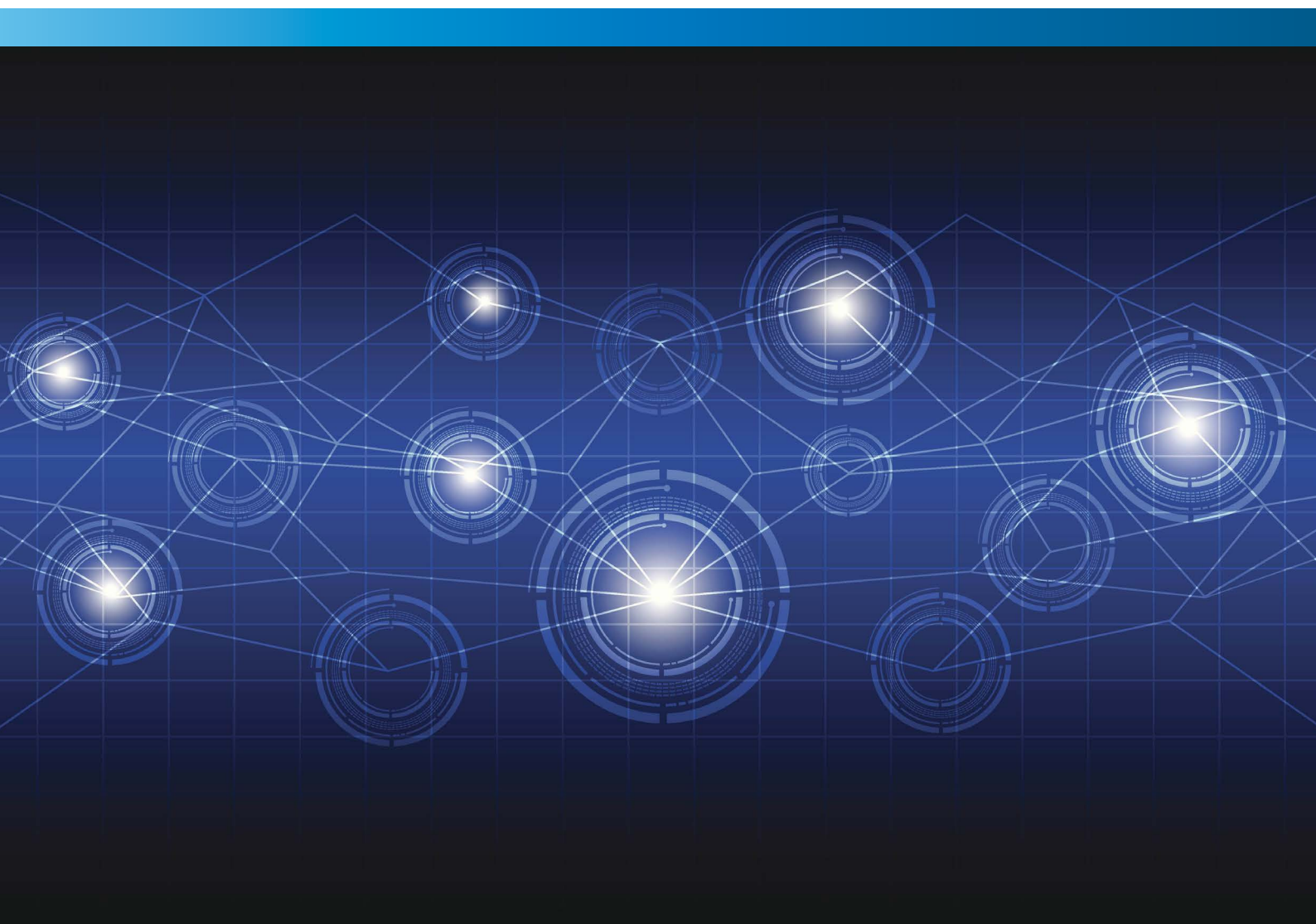


Trade reporting for alternative investment funds (AIFs)

CME EUROPEAN TRADE REPOSITORY

Frequently Asked Questions (FAQ)



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1. SOLUTION

1.1 What is CME European Trade Repository?

CME European Trade Repository (**CME ETR**) has been established by CME group to provide a reporting solution for market participants affected by the reporting obligations under EU Regulation No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (known as the European Market Infrastructure Regulation or **EMIR**). CME ETR is a registered trade repository (TR), authorised and supervised in the EU by the European Securities and Markets Authority (**ESMA**) for the purpose of receiving reports in derivative trades entered into by market participants subject to the reporting obligation under Article 9 of EMIR.

CME ETR forms a part of CME Global Repository Services (**CME GRS**), CME group's global repository service offering a suite of efficient, cost-effective regulatory reporting solutions for all market participants, covering Swap Data Repository (**SDR**) services relating to US Dodd-Frank reporting requirements and also European trade repository services relating to EMIR reporting for EU customers. CME GRS has 400+ global clients and has recorded more than 50 million transactions since its launch in December 2012. CME GRS is committed to world class real-time technology and customer support and offers a common front end experience for Dodd-Frank and EMIR reporting that is connected to CME group clearing and reporting services across Europe and the US.

As a registered EMIR trade repository under EMIR, CME ETR provides a multi-asset class reporting solution for exchange-traded (**ETD**), over-the-counter (**OTC**) cleared, and OTC bilateral derivative transactions in all asset classes subject to the EMIR reporting obligation:

- Commodities
- Credit
- Equity
- Foreign Exchange
- Interest Rate

CME ETR accepts reports by all market participants and all markets, including cleared ETD and OTC markets and also bilateral uncleared OTC markets. The CME ETR reporting service is not limited to the CME traded or cleared product universe; CME ETR is also able to accept reports relating to derivative trades executed on non-CME markets, trades cleared by non-CME central counterparties (**CCPs**), or concluded in the bilateral OTC markets.

CME ETR operates out of London with all key business and support functions locally staffed. CME ETR is also supported by an additional 30+ core CME GRS team members in the US.

'CME European Trade Repository' is a trading name of CME Trade Repository Limited. CME Trade Repository Limited is a UK private limited company incorporated in England and Wales, with registered address CME Trade Repository Limited, Fourth Floor, One New Change, London EC4M 9AF, United Kingdom. CME Trade Repository Limited is a wholly owned subsidiary of CME Group.

1.2 What are the EMIR reporting obligations?

EMIR implements in the EU (and, in effect, extends) the G20 commitment in September 2009 to have all OTC derivatives reported to TRs. The aim of EMIR reporting is to ensure that TRs act as authoritative registries of key information regarding derivative trades, providing regulators with transparency in previously opaque markets. This is part of the worldwide effort to reduce counterparty and operational risk in derivatives markets, identified by the G20 as a significant factor to the financial crisis.

While the G20 commitments ensure certain common principles, market participants should be aware that the application of the reporting requirements in EMIR differs in a number of respects from the approach that has or will be adopted in certain other jurisdictions. For this reason, we have summarised the key EMIR reporting requirements in the table on the next page:

Issue	Detail
What must be reported?	<ul style="list-style-type: none"> Trade details of all derivative contracts executed in any asset class (interest rate, credit, foreign exchange (FX), commodities and equities) and any modification or termination of such contract Includes ETD and OTC trades, whether cleared or uncleared and whether executed in the EU or outside the EU There is currently uncertainty as to the boundary between FX financial instruments, which are subject to the EMIR reporting obligation, and spot FX instruments, which are not considered subject to the obligation, following the publication of a consultation on this issue by the European Commission in April 2014. It is possible that the scope of the reporting obligation may in future be expanded to include some instruments which are currently deemed spot transactions
By whom?	<ul style="list-style-type: none"> All EU financial counterparties (FCs), non-financial counterparties (NFCs) and CCPs must report any trade to which they are a principal counterparty, regardless of the status or domicile of the other counterparty to the trade Dual sided reporting means that both EU counterparties to a trade are responsible for reporting the trade under EMIR Reporting may be delegated to a counterparty, a CCP or a third party provided there is no duplication in reporting. Legal responsibility under EMIR remains with the principal counterparty Different levels of reporting are required for FCs and 'in-scope' NFCs (NFC+) versus NFC-
To whom?	<ul style="list-style-type: none"> Reports must be made to a registered or recognised EMIR TR (such as CME ETR)
When does it start?	<ul style="list-style-type: none"> 12 February 2014 was the reporting commencement date for all derivative contracts From 11 August 2014, FCs and NFC+ will need to report collateral and valuation data
When must reports be made for each trade?	<ul style="list-style-type: none"> Reports must be made no later than the end of the following working day of execution of the trade (EoD T+1)
What has to be reported?	<ul style="list-style-type: none"> Counterparty data – 26 fields (participant IDs, valuations, etc.) Common data – 59 fields (trade details, clearing, contract type, etc.) As noted above, there is a 180 day delay to August 2014 for reporting valuation and collateral data in counterparty data table following the reporting commencement date
Is there any back-reporting of historic trades?	<ul style="list-style-type: none"> Trades outstanding on 16 August 2012 and still outstanding at the reporting commencement date must be reported within 90 calendar days Trades outstanding on 16 August 2012 or were entered into on or after this date and are not outstanding on or after the reporting commencement date must be reported within three years

¹ Please see the consultation document for further detail:

http://ec.europa.eu/internal_market/consultations/2014/foreign-exchange/docs/consultation-document_en.pdf.

1.3 What services does CME ETR offer?

CME ETR is a registered TR under EMIR and is authorised to accept reports in derivative trades from market participants. CME ETR is able to accept trades reported not only directly by counterparties to the trade but also from third parties providing a delegated reporting service on behalf of the relevant principals. For example, CME ETR can accept reports on behalf of a principal counterparty to a trade from another counterparty to that trade or also from an agent, from an exchange, trading platform, CCP or other aggregated reporting service provider. For customers of CME exchanges or clearing houses in the US and the EU (CME Inc., CME Europe and CME Clearing Europe), CME group offers certain delegated reporting services to assist with the streamlining of EMIR reporting allowing customers to benefit from the integration and connectivity of CME ETR into CME clearing systems, details of which are available at: cmegroup.com/trading/global-repository-services/cme-emir-delegated-reporting-service.html.

Like all EMIR TRs, CME ETR is also required under EMIR to make public certain anonymised aggregated data and also to make data reported by its customers available to regulatory authorities with a mandate under EMIR to access this data. CME ETR operates strict controls to ensure that a customer's information or trade data is protected and will only be disclosed to persons duly authorised by the customer or otherwise to a person with authorisation under EMIR to access such data (such as a regulatory authority with a mandate under EMIR).

1.4 Why choose CME ETR?

CME is one of a very select group of financial institutions able to offer market participants with execution, clearing and trade reporting services. As a highly regulated global organisation operating exchanges, clearing houses and repositories across multiple jurisdictions, CME is a long time veteran operator of regulatory reporting to authorities around the world. CME further has deep working knowledge and in-house expertise spanning across all of the major derivative asset classes in both ETD and OTC traded products.

CME ETR has the advantage of leveraging CME's considerable experience in the US with Dodd-Frank reporting and the establishment of the CME SDR. Since December 2012, CME has operated a successful US SDR and has therefore worked through many of the initial kinks associated with trade reporting. As a result of this experience and CME's capabilities in trading, clearing and reporting, CME ETR represents a complete solution that is uniquely positioned in the market to offer operationally sound, highly efficient, low cost reporting services built on proven systems, processes and relationships to all market participants, whether or not they currently clear or trade products through CME.

In addition, the numerous and diverse European market participants currently trading and clearing with CME will experience an unparalleled level of ease, simplicity and certainty when looking to discharge their reporting obligations under EMIR by choosing to report their trades to CME ETR. In particular, existing CME customers will benefit from the strong connectivity of CME ETR to CME's clearing houses both in Europe and the U.S. This connectivity makes the challenge of mark to market and collateral reporting easier at CME when compared to repository solutions whose systems are not closely integrated with a clearing house. The CME ETR offering will also aid participants in reporting OTC bilateral trades, affording greater simplicity when compared to our competitors.

2. TRADE REPORTING FOR AIFS

The reporting rules under EMIR potentially capture funds managed or marketed to EU based persons. This potentially extends the scope of the EMIR reporting obligation beyond EU persons to capture funds based outside the EU. The guidance below aims to summarise the EMIR reporting requirements for funds.

2.1 Is the fund an AIF?

The EMIR reporting obligation applies to funds which are categorised as an alternative investment fund (**AIF**) under the EU Alternative Investment Fund Managers Directive (**AIFMD**). An AIF is defined as a collective investment undertaking that raises capital from a number of investors; invests that capital for the benefit of those investors in accordance with a defined investment policy; and is not a UCITS fund under the EU UCITS Directive.

This definition is very broad and is likely to include all non-UCITS funds. In practice, it includes the following entities:

- Private equity funds
- Property funds
- Real estate funds
- Hedge funds
- Investment companies

2.2 Is the manager of the AIF an AIFM authorised or registered under AIFMD?

A non-EU fund will only be subject to the reporting requirements where it is an AIF and its manager becomes authorised or registered as an alternative investment fund manager (**AIFM**) under AIFMD, in which case it will become a financial counterparty for the purposes of EMIR and therefore subject to the EMIR reporting obligations.

Under AIFMD, a manager will need to become authorised where it is:

- an EU manager managing an EU AIF;
- an EU manager managing a non-EU AIF; or
- a non-EU manager managing an EU AIF.

AIFMD also requires that a manager will need to become registered where it is marketing EU or non-EU AIFs in the EU.

2.3 What if the fund is based outside of the EU?

Whilst funds which are based outside of the EU are generally classified as third country entities and exempted from EMIR requirements, they will become subject to the reporting requirement where they are classified as an AIF and either:

1. managed by an AIFM that is based in the EU; or
2. managed by an AIFM that is based outside of the EU, but which markets EU or non-EU AIFs within the EU.

In practice, therefore, funds will be subject to the EMIR reporting requirement where they are managed according to the following structures:

Type of AIF	Type of AIFM
EU AIF	EU AIFM
EU AIF	Non-EU AIFM
Non-EU AIF	EU AIFM
Non-EU AIF	Non-EU AIFM which markets AIFs in the EU

2.4 When does the reporting obligation start?

Whilst the reporting obligations went live on 12 February 2014, they will only apply to an AIF (provided it falls within the definition of an AIF) once its manager has been authorised or registered under AIFMD.

Non-EU AIFs with an EU manager

EU based managers of AIFs have generally been required to be authorised as an AIFM since 22 July 2013. Depending on how different Member States implement AIFMD, EU AIFMs will need to have applied for authorisation by 21 July 2014 at the latest. Non-EU AIFs managed by an EU manager will therefore become subject to the reporting obligation in the latter half of 2014 at the latest, when their manager has become authorised.

Non-EU AIFs with a non-EU manager

Non-EU based managers of AIFs are unlikely to be able to apply for authorisation as an AIFM until at least July 2015. As a result, it is likely that many non-EU AIFs managed by a non-EU manager will become subject to the reporting obligation in the latter half of 2015 and beyond.

It is important to note also that the reporting obligation will kick in if the AIF's manager becomes registered as an AIFM. This will occur where the manager is marketing funds in the EU. As with authorisation, the registration requirement came into force on 22 July 2013 but, depending on how different Member States implement the AIFMD, relevant managers have until 21 July 2014 at the latest to apply for registration.

2.5 Will EMIR reporting constitute a breach of any confidentiality obligations?

Disclosure waivers

Although EMIR seeks to address disclosure issues, entities subject to the reporting obligation may wish to look to obtain a disclosure waiver from their derivative counterparties before proceeding to report.

2.6 How do I obtain a disclosure waiver?

- ISDA Reporting Protocol contains a disclosure waiver for reporting requirements
- The ISDA 2013 EMIR Portfolio Reconciliation, Dispute & Disclosure Protocol contains a disclosure waiver solely for the EMIR reporting requirement
- Bilateral disclosure waivers are also a potential solution

2.7 What further considerations are there for funds managed by an AIFM?

Reclassification

Where a manager becomes authorised or registered under AIFMD, all of the AIFs that are managed or marketed by that manager will be reclassified from third country entities or NFCs to FCs for the purposes of EMIR.

Exposure to wider EMIR requirements

Non-EU funds which are reclassified as FCs will be subject to the full suite of EMIR requirements. This includes the EMIR clearing obligations and more extensive OTC risk mitigation obligations, in addition to the trade reporting obligations.

2.8 How do I fulfil my reporting obligation through CME Group?

Self-reporting

Report directly to the CME ETR. You can report trades executed on any markets to CME ETR, whether ETD or OTC and executed on any venue. For testing and on-boarding (also below) with CME ETR please refer to: cmegroup.com/etr.

Delegated reporting

CME Clearing and CME Clearing Europe offer a delegated service for EMIR trade reporting to CME ETR for CME cleared trades. More information can be found at cmegroup.com/delegatedreporting. The service is available across all asset classes, OTC and exchange-traded, both available for any CME Clearing and CMECE cleared product (i.e. for underlying client trades where CME clears a corresponding contract).

2.9 How much does it cost to report?

The full CME ETR fee structure can be found at cmegroup.com/market-data/files/cme-etr-fee-structure.pdf. Please note that the fees schedule may be updated from time to time by CME ETR.

3. OPERATIONS

3.1 What file formats do you support for data submission?

We accept reports transmitted in either CSV (in provided templates) or FIXML formats.

3.2 What file delivery methods do you support?

We accept delivery of:

- CSV files via Web Portal uploading, HTTPS web service, or secure FTP;
- FIXML files via MQ API or HTTPS web services API; and
- CME ETR accepts manual data submission via the Secure UI (using CSV templates upload).

3.3 What type of reconciliation reports do you provide?

CME ETR offers a flexible approach to generating reconciliation reports. Users can either use the generic reports provided or alternatively customise reports. Customisation's can be made by any field within the file i.e. counterparty, date, product, asset class, etc. These customised reports can then be saved for future use.

Additionally, because CME ETR operates a real-time solution, any transaction that is reported to and accepted by CME ETR will be reflected in the system and User Interface almost instantly. Reports can then be run or scheduled on an ad hoc or end of day basis.

3.4 What data fields will be required to be populated on the submission files to CME ETR?

CME ETR has full technical CSV specifications for each asset class, which provide the fields and definitions for the full list of data fields supported by CME ETR. For easy guidance CME ETR has attempted to name the field headers as per the EMIR text, however to assist clients we have also include a column in the specifications which specifically references the EMIR text.

These are available for review at cmegroup.com/etr.

Furthermore, the list of ESMA required fields can be found here:

eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:352:0020:0029:EN:PDF

3.5 Does your service support multiple daily submissions and if so how will CME ETR prevent duplication?

CME ETR can support multiple daily submissions via individual or batch uploads.

In order to prevent duplication CME ETR will use the UTI as the unique reference. If the UTI exists in the system and the trade type is not a lifecycle event (modification, termination etc.), then the duplicate trade will be rejected and a notification will be sent indicating the trade rejection for investigation by the submitting party.

3.6 For delegated reporting, can files be submitted by one counterparty and then edited by a different counterparty?

CME ETR permissions allow only authorised parties to edit TR submissions. If the entity has registered with CME ETR, then they can modify any information residing in the CME ETR. ETR clients may authorise third parties such as service providers, including delegated reporters, to edit data.

3.7 Will your service connect to third party data providers for delegated reporting or would all data have to originate from a client directly?

CME ETR allows either direct client submission or use of a third party service provider (delegated reporting). CME ETR is collaborating with affirmation platforms, fund administrators, third party vendors and execution platforms to enable our clients to submit trades via a method that meets their unique requirements. These relationships cover OTC cleared, OTC bilateral and exchange traded derivatives, cleared at both CME and other clearing houses.

CME Inc. and CME Clearing Europe are offering delegated reporting (reporting on behalf of) to their clearing members and the end clients and they have selected CME ETR as their EMIR compliant TR. For further information on CME Inc. and CME Clearing Europe delegated reporting please contact the CME ETR team at Repository@cmegroup.com.

3.8 What is the exception management process for rejected trades by CME ETR?

CME ETR has a real-time user interface; all transactions submitted will be viewable immediately after submission.

This is dependent upon the method of submission:

- For API, acceptance or rejection replies are sent back to the submitter in FIXML.
- If submitted via web services, then an acceptance message will be sent back over secure HTTPS.
- If uploaded via Secure FTP, firm can pull confirmation data from an outbound Secure FTP file. This file would contain acceptances as well as highlight any issues with any line items.
- Manual submission acceptances are notified on screen. Errors are also displayed on screen providing specific information as to the cause of the error.

3.9 Does CME ETR support multiple batch files submissions or are all trades required to be submitted in a single file by trade date?

CME ETR offers a flexible reporting solution and therefore can support periodic daily batch files, EOD batch files or ad hoc batch files.

Multiple trade dates can be submitted in the batch file and can contain both new transactions as well as modifications to existing reported transactions.

3.10 Will clients be able to access the CME ETR via a User Interface?

The CME ETR provides clients with access to a User Interface (Web Portal). Access to the web portal allows users to (dependent on access permissions):

- manually upload CSV files to CME ETR;
- download ad hoc flexible reports – reconciliation reports customisable by any field; and
- customise and save queries for streamlined future access.

The demo of the CME SDR User Interface, which is highly similar to CME ETR User Interface, can be found here: cmegroup.com/repositorydemo.

The CME ETR User Interface accounts for the regulatory differences between Dodd-Frank and EMIR.

3.11 What validations will CME ETR undertake on the submitted data?

CME ETR undertakes certain validations which are required for differing purposes:

1. **User validation** – This is required to ensure that the submitting party has been granted permission to submit trades.
2. **Field level validations** – For trade files submitted field validation takes place to ensure that they are compliant with the required format in order to meet the EMIR reporting mandate.
 - For example, CounterpartySide is mandatory, then it has to be available on the submission and only acceptable values are B (for Buyer) or S (for Seller) – any invalid entry will get rejected and the trade will not be uploaded. Notifications are sent highlighting the specific error message.
3. **Conditional validations** – These are validations on inter-related information or conditional information
4. **Catchall error handling** – This routine catches all the errors that cannot be anticipated such as unexpected data format, network glitches, sudden database outage etc. The error handler informs the user about unexpected error and asks him/her to contact the system administrator for further assistance.
5. **For single sided reporting** – Where only one side of the trade has been submitted to CME ETR and the other side to another TR then the Inter TR reconciliation takes place. The aim is to ensure that the trades pair at the two TRs.
6. **For dual sided reporting** – CME ETR will validate that the information is accurate and compares the two inbound trades.

3.12 How is a secure line established between CME ETR and the counterparty on internet based communications?

CME ETR uses SSL for SFTP and HTTPS communications.

3.13 What encryption options are available to secure both 'data in flight' and 'data at rest'?

Data in flight is encrypted by HTTPS protocol while data at rest is stored in a database with appropriate security features but not encrypted. The database resides on a secured CME network.

3.14 What are the CME ETR security practices?

- CME ETR uses SSL for sFTP and HTTPS communications in order to establish secure Internet-based communication channels between CME ETR and counterparties.
- 'Data in flight' is encrypted by HTTPS protocol while 'data at rest' is stored in a database with appropriate security features but not encrypted. The database resides on a secured CME network.
- Every build of CME ETR software goes through dynamic security scans before being implemented into the Production environment.
- Additional security scans are run every week against our software to identify and resolve any security risks.
- Infosec (URL?) periodically reviews our software code is for security vulnerabilities, and also reviews and certifies any new modules which we develop before they are deployed into the Production environment.
- At an Enterprise level, when a new security threat is identified, CME Group immediately mobilises dedicated security teams to research the threat, analyse our systems for impact, and establish a plan for any remediation necessary. Ongoing monitoring of systems for activity as a result of the threat will also be established.
- CME group continues confirmation scanning to ensure that patches are applied to CME Group's internally and externally-facing systems. Based on our assessment of risk and technical remediation needs, CME Group certificates may be revoked and re-issued to change the system's encryption keys.

3.15 Does CME ETR have submission cut offs?

EMIR specifies that counterparties must submit their trades by End of Day T+1 and CME ETR will time stamp the trade submission. This time stamp is the time the trade is submitted to CME ETR. CME ETR supports real time submission, meaning firms are not obliged to wait until End of Day T+1 to report.

CME ETR will not reject submitted trades that breach the regulatory requirement as it is the responsibility of the counterparties to ensure compliance.

3.16 What is available to clients today?

Currently, CME ETR provides clients with:

- **Test environment** – submit the form found in the Resources section at cmegroup.com/etr
- **Technical CSV specifications** – found at cmegroup.com/trading/global-repository-services/submitting-trades-to-cme-etr-service.html
- **User Guide** – found in the Resources section at cmegroup.com/etr
- **User Agreement** – found in the Resources section at cmegroup.com/etr
- **Fees** – found at cmegroup.com/etrfees

3.17 Who can sign the legal agreement?

Each separate legal entity submitting to CME ETR must execute the User Agreement. CME supports multi-firm registrations in a single agreement for firms that are in the same corporate family. That process is facilitated by filling out Schedule C (Registering Affiliates) of the User Agreement. Additionally, an investment manager managing multiple funds can execute the agreement on behalf of these funds. Schedule C would be used for this as well. Schedule C is available in the Resources section of cmegroup.com/etr.

4. COLLATERAL AND VALUATIONS

4.1 What is the reporting obligation for collateral & valuations?

From 11 August 2014, the EMIR regulation requires that Financial Counterparties (FC) and Non-Financial Counterparties above the clearing threshold (NFC+) report daily collateral and valuation data relating to their open trades and positions to an EMIR Trade Repository. This data relates to the Counterparty Data fields 17 to 26 inclusive, which are made up of five fields of Valuation data and a further five of Collateral data.

4.2 What impact will the reporting of collateral & valuations have on the Inter-TR reconciliation?

Since collateral and valuation data is reported in fields in the Counterparty set of data, rather than the Common set of data, these values will not be included in the Inter-TR reconciliation.

4.3 Collateral

4.3.1 How do I calculate the value of the collateral?

The regulation states that the party posting collateral should report the value of the collateral they have posted. Our interpretation of the regulation and related Q&A guidance published by ESMA is that firms should:

- Report the value of the collateral without applying any haircut
- Include in the reported values collateral which has been paid away but which has not yet settled
- Convert non-cash collateral to a cash amount, and then
- Convert all cash amounts to a single base currency figure, which will then be reported to the TR

4.3.2 Should variation margin and / or initial margin be included in the collateral valuation figure?

ESMA clarifies that “the collateral should be the sum of any initial margin (or similar) posted by the reporting counterparty and any variation margin (or similar) also posted by the reporting counterparty”.

4.3.3 Which currency should I use as the collateral base currency?

ESMA advises that reporting firms are free to choose which currency to use as the base currency when converting non-base amounts, although it must be one of the major currencies representing the greatest weight in the collateral pool, and must be used consistently.

4.3.4 What are the definitions of the terms Uncollateralised, One Way Collateralised, Partially Collateralised and Fully Collateralised?

ESMA has fully specified these definitions in their Q&A of 23rd June 2014 in TR Question 33.

4.3.5 Should I report collateral details at the trade, position or portfolio level?

Collateral should be reported at the same level at which it has been posted. If collateral has been posted against a portfolio of trades or positions, for example, then the details should be reported at the portfolio level.

4.4 Valuation

4.4.1 Who should provide the trade or position valuation?

For centrally cleared contracts, the valuations reported by each counterparty should be those calculated by the CCP. For uncleared business, contracts should be valued by the counterparties themselves.

4.4.2 Should I use a mark-to-market or a mark-to-model valuation?

ESMA requires that the primary valuation methodology which should be used is marking-to-market. Only where marking-to-market is not feasible (for example due to a market being 'inactive'), then "reliable and prudent" marking-to-model may be used to value trades and positions. The relevant EMIR regulation (No 149/2013) also requires firms to take steps to review and document the use of an appropriate model, which may require firms to obtain appropriate internal approvals and liaise with counterparties.

4.4.3 Which valuation should I use for my trades or positions?

This has not been defined by ESMA – and could consist of, for example:

- Open Trade Equity (Cumulative Variation Margin),
- Daily Variation Margin, or
- Net Present Value

4.5 Reporting to CME ETR

4.5.1 How do I report my collateral and valuation data into the ETR?

Either:

- re-report your trades and / or positions each day with appropriate action type and include valuation fields populated, or
- use CME ETR's collateral and valuation short-files to simply append the latest values to your already reported trade or position.

4.5.2 How can CME ETR's Delegated Reporting Service help me with collateral and valuation reporting?

Clients, FCMs and Clearing Members participating in **CME Clearings** (US and Europe) Delegated Reporting Service have minimal additional work to complete, since the Service will automatically include the submission of collateral and valuation data at no additional cost from 11 August into CME ETR.

GUIDANCE FROM ESMA

The latest guidance from ESMA, which contains updated information on collateral and valuation reporting, can be found at: esma.europa.eu/system/files/2014-682.pdf

5. ONBOARDING AND LEGAL DOCUMENTATION

5.1 What are CME ETR business hours?

CME ETR has a London based support team operating during the primary business hours of 08.00 – 17.30 (UK TIME). Extended support is provided through CME US offices resulting in around the clock support coverage.

Once clients have started to onboard with CME ETR they will receive contact details of the client service team including phone numbers and direct emails as well as the email access through repositorysupport@cmegroup.com.

5.2 How long does your service retain transaction data?

EMIR mandates that records must be held for a minimum of 5 years post expiration/termination. CME ETR will be holding the records for 10 years post expiration/termination.

5.3 Do you have a dedicated client onboarding team?

The Global Trade Repository has a dedicated client service team with a multi-jurisdiction coverage model. CME ETR's London based client service team will be responsible for your onboarding. During the initial meeting after selecting CME ETR you will be introduced to your dedicated onboarding manager who will be your main point of contact on a day to day basis. Once onboarded, the team will continue to provide support to you. If inquiries are submitted outside of standard European work hours, these will be handled by CME US offices.

5.4 What are the steps required for onboarding?

1. Legal Agreements

Complete the CME ETR User Agreement online together with any applicable Schedules to the User Agreement and submit via the online portal (via the send button).

2. Acknowledgement email sent once submitted

Your application will be sent to our compliance team and also the onboarding team. You will receive an auto response to acknowledge receipt of your request.

3. CME ETR undertakes KYC and provides access to testing and production (live) environment.

Following the short registration process, an email will be sent to confirm that the application has been processed and username and passwords have been created for testing and production.

On the confirmation email the recipient will be requested to phone (for security purposes) to receive the username and password for the secure Participant Interface. API users will be contacted by the Repository Support Team.

4. Testing (if applicable)

Clients will be provided with the CSV specifications (currently available on CME ETR website). The CME ETR client service team will be available to assist with the population of the trade files and during the testing process. They will be able to assist to ascertain why files may be breaking and also in the customisation of reports and navigation around the testing environment.

5. Submit and access transactions

Once clients have received their access details (tested where applicable) they may start to submit the derivative transaction and pricing data directly to CME ETR.

Clients will also be able to access the portal to schedule/run reports to be downloaded for reconciliation or audit purposes.

6. Invoicing

Clients will be billed on a monthly basis in GBP (default) but EUR invoices are available if requested.

5.5 Are there any pre-requisites for onboarding?

As required by ESMA, you will need to notify CME ETR of your LEI and the Local Operating Unit from which you received your LEI.

The first step is to get a legal entity identifier (LEI) from one of the issuers listed at: leiroc.org/publications/gls/lou_20131003_2.pdf.

5.6 What information will CME ETR request from us?

You will be asked to provide:

- 1 Your LEI
- 2 EMIR entity classification
- 3 Asset classes participating in and whether active in OTC and/or ETD transactions
- 4 Certain representations and warranties when signing the User Agreement and upon submission of any derivative data to CME ETR under the terms of the User Agreement.

Full details of requirements are contained in the User Agreement.

5.7 How long does onboarding usually take?

In general, regardless of the number of entities submitted, the onboarding turnaround time from submission to set up of User Interface access is 24-48 hours (typically under 24 hours). This is contingent upon KYC requirements.

5.8 Are there any deadlines or cut-off dates?

Onboarding can be conducted at any time once the legal documents are signed and returned. While there is no deadline or cut-off date, we would encourage you to complete onboarding as soon as possible.

We encourage you to sign up for our test environment and to download and review the relevant legal documentation required for membership in advance of registration being granted in order to expedite the registration process.

5.9 What legal documentation is required to connect to CME ETR?

CME ETR offers services to customers who wish to report directly to CME ETR, but also to providers of delegated EMIR reporting services. As a result, depending on the type of customer that wishes to connect to CME ETR, there may be different requirements for connectivity in terms of legal and operational onboarding. A summary of the relevant legal documentation that may be required depending on the circumstances of the relevant customer is set out below.

Customers reporting directly to CME ETR

Customers that wish to report their derivative trades directly to CME ETR are required to sign the CME ETR User Agreement. The User Agreement is available in the Resources section at cmegroup.com/etr.

Customers reporting on behalf of a group company

The CME ETR User Agreement supports multi-firm registrations under a single User Agreement for firms that are in the same corporate family. That process is facilitated by filling out Schedule C (Registering Affiliates) of the CME ETR User Agreement.

Customers who are investment managers reporting on behalf of a managed fund

The CME ETR User Agreement also supports the scenario where an investment manager manages multiple affiliated funds (or portfolios within multiple funds). Under the CME ETR User Agreement, the investment manager can execute the agreement on behalf of these underlying funds. Again, that process is facilitated by filling out Schedule C of the CME ETR User Agreement.

The User Agreement also enables investment managers to report trades on behalf of non-affiliate registered funds. In order to do so, the manager must complete Schedule E (Managed Fund Registration) of the User Agreement.

Customers reporting to CME ETR on behalf of another person

Where a customer of CME ETR provides a delegated reporting service within the meaning of Article 9(1) of EMIR, that customer will report derivative trades to CME ETR on behalf of its own client (the principal counterparty to the relevant trade). In order to provide this service, the customer must sign Schedule D, the CME ETR delegated reporting service provider agreement, which contains relevant legal provisions governing the submission of trade data by the customer to CME ETR on behalf of its client, and also contains provisions relating to access to that information.

Where the underlying client of the customer wishes to have access to CME ETR in order to view information submitted to CME ETR on its behalf, that underlying client must also execute a CME ETR User Agreement. No fees are payable by that client for view only access to its data.

Please note that all customers of CME ETR are also subject to CME ETR Rulebook which sets out certain general provisions and information relating to the services provided by CME ETR. A copy of the CME ETR Rulebook is available at: cmegroup.com/trading/files/2013-december-etr-rulebook-release.pdf.

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