

# Corporate Bonds – Acceptable Collateral

**CORPORATE BONDS CAN BE PLEDGED DIRECTLY  
OR VIA A TRI-PARTY CUSTODIAN BANK.**



Clearing Member firms may pledge up to \$2 billion in corporate bonds as initial margin collateral for cleared OTC IRS and Futures. CME accepts corporate bonds directly at DTC or through one of the following tri-party custodian banks: Bank of New York Mellon, Brown Brothers Harriman & Co., or JPMorgan Chase.

## Bond Details

- High quality bonds with a minimum A- rating by at least two of the following agencies: Fitch, Moody's, Standard & Poor's
- Domestic and global market issuances
- USD denominated
- Vanilla bonds (Fixed rate bullet, callable, or putable)
- At least \$400 million in amount outstanding
- TRACE eligible and disseminated
- Banks and CME Clearing Members bonds are not eligible
- Last trade date within 10 business days
- Average 30-day volume of at least \$500,000
- Corporate bonds may not exceed 30 years time to maturity

## Program Parameters

- 20% haircut
- Concentration limit of \$50 million or 2.5% of amount outstanding per issuance, whichever is less
- Concentration limit of \$200 million per family
- Concentration limit of \$500 million per sector

## Eligible CUSIP List

CME Clearing publishes a list of eligible CUSIPs at the beginning of each month. See the latest CUSIP list at [cmegroup.com/collateral](https://cmegroup.com/collateral).

**For additional information, please contact [ClearingCollateralServices@cmegroup.com](mailto:ClearingCollateralServices@cmegroup.com).**



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