



# Collateral Categorization & Limit Changes

## PERFORMANCE BOND

CME Clearing (CME) is dedicated to meeting the needs of our clearing members and clients by accepting a diverse portfolio of assets. To improve the collateral acceptance process and add more transparency, CME removed the existing four-category structure and associated percentage limits on performance bond collateral. This simplification will make it easier to manage collateral utilization for clearing members at CME.

### CME Group Collateral Changes

Effective March 4, 2016 – Following the RTH Cycle

- Only imposing hard dollar limits rather than combination of hard dollar limits and percentage caps.
  - Summary of changes:
- Removal of four categories
- Changes to some existing hard dollar limits (increases and reductions)
- Added new limits

**For additional information, visit  
[cmegroup.com/collateral](http://cmegroup.com/collateral) or contact  
 CME Clearing's Financial Unit at  
 +1 312 207 2594 or [chfin@cmegroup.com](mailto:chfin@cmegroup.com).**

### Summary of Acceptable Collateral

Asset Class	Hard Dollar Limit
Cash	None <sup>1</sup>
U.S. Treasuries	None
Letters of Credit <sup>2</sup>	\$500 million
IEF5	None <sup>3</sup>
U.S. Government Agencies	\$2 billion
Select MBS	\$1 billion
TIPS	\$1 billion
STRIPS	\$1 billion
Gold <sup>4</sup>	\$250 million
IEF2	\$5 billion
IEF4	\$2 billion
Foreign Sovereign Debt	\$5 billion <sup>5</sup>
Canadian Provincials	\$100 million
Stocks	\$500 million
ETFs	\$500 million

<sup>1</sup> With respect to all foreign currencies, clearing members are subject to a \$250 million USDE limit across the clearing member and affiliates for meeting requirements in a different currency. Offshore Chinese renminbi is capped at \$200 million USDE per clearing member.

<sup>2</sup> Letters of Credit are acceptable collateral for performance bond for Base products only and not permitted for house PB requirements, for financial-affiliated clearing members. Letters of Credit are capped at 25% of margin requirement.

<sup>3</sup> Limits exist at the program level and at the firm level.

<sup>4</sup> Gold is acceptable collateral for performance bond for House positions only.

<sup>5</sup> Individual sub-limits: U.K., Germany, Canada, France, and Japan \$1 billion each; Australia \$250 million; and Singapore and Sweden \$100 million each.

Note: Gold, IEF2, IEF4, Foreign Sovereign Debt, Canadian Provincials, Stocks and ETFs are capped at \$5 billion USDE per clearing member firm and are capped at \$7 billion USDE per clearing member firm in combination with U.S. Government Agencies, Agency MBS, TIPS, and STRIPS.



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**CME GROUP HEADQUARTERS**

20 South Wacker Drive  
Chicago, Illinois 60606  
[cmegroup.com](http://cmegroup.com)

**CME GROUP GLOBAL OFFICES**

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**Chicago**  
+1 312 930 1000  
**Singapore**  
+65 6593 5555  
**Houston**  
+1 713 658 9292  
**Tokyo**  
+81 3 3242 6228

**New York**  
+1 212 299 2000  
**Calgary**  
+1 403 444 6876  
**São Paulo**  
+55 11 2787 6451  
**Washington D.C.**  
+1 202 638 3838

**London**  
+44 20 3379 3700  
**Hong Kong**  
+852 2582 2200  
**Seoul**  
+82 2 6336 6722

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