



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 or contact CME Clearing's Financial Unit at +1 312 207 2594 or chfin@cmegroup.com.

Summary of Acceptable Collateral

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

¹ 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.

² 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.

³ Limits exist at the program level and at the firm level.

⁴ Gold is acceptable collateral for performance bond for House positions only.

⁵ 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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