CME Globex Credit Controls

CME Globex Credit Controls (GC2) is a front-end application that provides pre-execution risk controls that enable Clearing Firm or partner exchange Clearing firm risk administrators to set credit limits. The Clearing firm or partner exchange Clearing firm risk administrators can choose a set of real-time actions to follow if specified limits are breached, including e-mail notifications, order blocking, and order cancellation.

GC2 Features include:

- Exposure Limits - set exposure Limits for Futures and Options.
- Open and Filled Position Calculations - open and filled positions are calculated for a product complex per Executing Firm ID / Exchange group.
- Good Till Cancel and Good Till Day Orders - Good Till Cancel (GTC) and Good Till Day (GTD) orders are included in the position calculation for the given Executing Firm ID / Exchange group at the beginning of the trading week.
- Advanced Settings - used to set a reference margin rate.
- Max Quantity Limits - in addition to Exposure Limits, the risk administrator can enter the optional Max Quantity Limit Clip Size for Buy/Sell Futures and/or Buy/Sell Options for the grouping.

When Orders and Cancel/Replace messages submitted with a quantity greater than the current clip size, GC2 will send out Session Level Reject (35=3) with the following description in tag 58: Credit Limit Violation: Order Quantity x exceeds Clip Size: y.

For Mass Quotes, GC2 only applies post-execution.

GC2 Calculations Video Overview

The following video provides an overview of how GC2 calculations work:

All risk management services are offered by CME Group on a best-efforts basis. Clearing Member Firm (CMF) Risk Administrators only have access to the Execution Firms and Exchanges that they guarantee. Any attempt to take action on an Executing Firm and Exchange assigned to a different CMF will be rejected.

User Help System

For complete details regarding the GC2 GUI, refer to the Risk Management Tools User Help System.