TO: Clearing Member Firms  
FROM: CME Clearing  
DATE: October 11, 2019  
ADVISORY #: 19-339  
SUBJECT: REVISED – Exercise & Assignment (E/A) Changes – Delayed

Please be advised that the changes to the Exercise and Assignment (E/A) cycle and processing to deliver results earlier, for CME FX Options has been delayed. Once a new date is determined a subsequent Clearing House Advisory will be published.

Phase 1 - TBD
• 5:30 CT / 6:30 ET: Run an E/A cycle for all expiring CME FX Options

Phase 2 and 3 - TBD
• 3:30 CT / 4:30 ET: Run an E/A cycle for all expiring NYMEX/COMEX options, immediately after the contrary instruction deadline.
• 5:30 CT / 6:30 ET: Run an E/A cycle for all expiring CME, CBT, CBT Flex options, Late Coal and Power options, immediately after the newly combined contrary instruction deadline.

NOTE: Option Instructions, for all non-expiring options, will also be subject to the daily NYMEX/COMEX (3:30 CT / 4:30 ET), and CME/CBT (5:30 CT / 6:30 ET) Contrary Instruction deadline.

Benefits
• Provides FCMs the option to kick off end of day batch processing and produce customer statements ~2.5 hours earlier.
• Traders could know true exposure hours earlier and trade accordingly.
• FCM’s will be able to start batch processing for customer statements hours earlier.

Behavioral Changes
• Allocation/Claim and Transfer activity for expiring options must be completed by the Option Instruction deadline.
  o To prevent having to move up Allocation/Claim and Transfer activity for all contracts, non-expiring option instructions will be assigned at normal time (~8:30 CT / 9:30 ET).
• Contrary Instruction Report for expiring options will expand to include ALL top-day option instructions.
  o Inclusion of non-expiring instruction activity in the Option Instruction Report allows firms to know if they need to wait for regular E/A or generate supplementary customer statements for non-expiring option assignments.
• PCS submission for expiring options can be submitted earlier to allow firms to finalize their positions in the expiring options.
  o Firms can submit PCS files earlier for all products, if needed, and submit additional PCS files later, as well.
- Positions in the expiring options can also be finalized manually in the Positions UI.

**Phased Rollout Schedule**
- **Phase 1:** CME FX Options – TBD
- **Phase 2:** All NYMEX/COMEX/DME Options – TBD
- **Phase 3:** Rest of CME/CBT Options – TBD

**Eventual Option Exercise & Assignment Schedule – All Exchanges**

<table>
<thead>
<tr>
<th>Exchange</th>
<th>Contrary Instructions</th>
<th>Exercise and Assignment</th>
<th>E&amp;A Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Time</td>
<td>Proposed Time</td>
<td>Current Time</td>
</tr>
<tr>
<td>CBT Flex</td>
<td>5:00 PM</td>
<td>5:30 PM</td>
<td>7:30 PM</td>
</tr>
<tr>
<td>CBT Flex</td>
<td>6:00 PM</td>
<td>5:30 PM</td>
<td>7:30 PM</td>
</tr>
<tr>
<td>CME</td>
<td>7:00 PM</td>
<td>5:30 PM</td>
<td>7:30 PM</td>
</tr>
<tr>
<td>NYMEX - Early Coal</td>
<td>8:30 AM</td>
<td>Same</td>
<td>8:45 AM</td>
</tr>
<tr>
<td>NYMEX - Coal</td>
<td>12:00 PM</td>
<td>Same</td>
<td>12:15 PM</td>
</tr>
<tr>
<td>NYMEX - B2O</td>
<td>2:30 PM</td>
<td>Same</td>
<td>6:15 PM</td>
</tr>
<tr>
<td>NYMEX/COMEX/DME - All Other Products</td>
<td>3:30 PM</td>
<td>Same</td>
<td>6:15 PM</td>
</tr>
<tr>
<td>NYMEX - Late Coal and Power</td>
<td>5:00 PM</td>
<td>5:30 PM</td>
<td>6:15 PM</td>
</tr>
</tbody>
</table>

**Testing**
These changes are currently available to test in the New Release (NR) environment.

For more information please contact CME Clearing at ccs@cmegroup.com or via phone at Chicago (312) 207 2525 | London (44) 203 379 3198 | Singapore (65) 6593 5591