

TO: CME Clearing Member Firms
Chief Financial Officers
Back Office Managers
FROM: CME Clearing
ADVISORY #: 25-018
SUBJECT: Collateral Fee Changes - Update
DATE: January 14, 2025

As communicated in [advisory #24-383](#), CME Clearing is implementing a soft US dollar cash minimum margin requirement for all Clearing Members for collateral used to meet their US dollar margin requirements, effective April 1, 2025.

This advisory provides further details regarding specifications of the calculation to determine whether Clearing Members meet the 30% soft US dollar cash minimum, specifications of two daily reports for Clearing Members to determine whether they meet the US dollar cash minimum level, and answers to frequently asked questions.

Daily Calculation Details

As previously communicated, the 30% soft US dollar cash minimum and the 10 basis point additional fee will be calculated each business day, at the individual settlement account level¹, using the Clearing Member's US dollar end of day margin requirement². Only US dollar cash held as performance bond will count towards the soft minimum.

In order for Clearing Members to have sufficient time to deposit US dollar cash to meet the 30% threshold, CME Clearing will measure the US dollar cash portion of the calculation on a 1-day lag. For example, whether the 10 basis point additional fee will be applied for business date April 7, 2025 will be determined using a Clearing Member's US dollar end of day margin requirement on April 7, 2025 and the closing balance of US dollar cash on deposit as of April 8, 2025. This is to account for any performance bond calls calculated as of the end-of-day on April 7, 2025 as the cash is credited to CME Clearing on April 8, 2025, as well as any collateral substitutions that day.

Report Details

CME Clearing will produce the below reports starting in March 2025 using Production data for Clearing Members to review before the effective date of the changes. Further specifications of the two reports can be found on this [webpage](#).

Preliminary Collateral Fee Report (CAI800) - Indicates to Clearing Members if the current US dollar cash on deposit is sufficient to meet the 30% soft US dollar cash minimum, per settlement account, based on current US dollar margin requirements. Using the daily calculation example, this report will be made available with the completion of the end-of-day clearing cycle as of April 7, 2025.

¹ Settlement accounts are the level at which CME Clearing settles collateral used to meet performance bond requirements for the customer segregated, cleared swaps customer, and non-segregated (i.e., Clearing Member proprietary) account classes.

² Margin requirements are currency specific and set forth in CME's margin methodologies.

Final Collateral Fee Report (CAI801) - Indicates to Clearing Members if the 10 basis point add-on fee applies or not, per settlement account. Pursuant to the above calculation details, this report will be made available on a 1-day lag. Using the daily calculation example, this report will be made available at the end-of-day clearing cycle on April 8, 2025 (applicable to collateral fees charged for April 7, 2025).

Frequently Asked Questions

Q: Are there any other reports available that show monthly collateral fees?

A: Yes, CME Clearing produces a monthly report for each Clearing Member at the beginning of each month showing the daily collateral fee for each business date (in basis points and US dollars) from the previous month, broken down by asset type. This report is titled "CME_CustodyFee_Monthly_xxx_yyyymmdd.csv" where xxx is the Clearing Member ID and the date is the last calendar date of the month being billed. This report is available via each Clearing Member's SFTP Outgoing folder. Starting with the April 2025 report, the fees in this report will include both the 10 basis point add-on fee associated with the soft US dollar cash minimum, as applicable, as well as the collateral fees that currently apply to Clearing Members.

Q: Is the 10 basis point additional fee charged on all non-cash collateral or just the difference between the 30% threshold and the actual cash on hand?

A: The 10 basis point additional fee will be charged on all non-cash collateral other than letters of credit if the 30% soft US dollar cash minimum is not met on a given day.

Q: Will there be a way to view the current percentage of cash versus US dollar margin requirement?

A: The Preliminary Collateral Fee Report (CAI800) will show the US dollar margin requirement used in the calculation, US dollar cash on deposit as of the cycle time, and the amount of US dollar cash needed (see "CashOverageShortage" field in the report) for Clearing Members to meet the soft US dollar cash minimum level. Clearing Members can also see their current, real-time US dollar cash on deposit using CME Clearing's Banking and Asset Management System.

Q: How are combined cash flow movements reflected in the Preliminary Collateral Fee Report?

A: US dollar combined cash flow movements for the RTH clearing cycle on date T are included in the Preliminary Collateral Fee Report generated on date T. However, Clearing Members that utilize combined cash flow functionality for US dollars for the ITD clearing cycle will need to account for any combined cash flow movements at the ITD clearing cycle on T+1 as the "CashOverageShortage" field in the Preliminary Collateral Fee Report generated on date T will not include these values for the ITD clearing cycle on T+1.

Q: When will these reports be available on a daily basis?

A: We anticipate providing reports on a daily basis in our New Release environment in February 2025 and in our Production environment in March 2025 (showing the hypothetical fees using Production collateral and margin data, ahead of the April 1, 2025 effective date).

For any other questions regarding the fee schedule, please contact Clearing House Risk Management team (chrmtteam@cmegroup.com).