

TO: Clearing Member Firms

FROM: CME Clearing

DATE: June 28, 2016

ADVISORY #: 16-251

SUBJECT: **Transfers Migration to FEC+, September 26, 2016**

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As part of decommissioning legacy FEC, CME will migrate Transfers to FECPlus. This change is targeted for Production on **Monday, September 26, 2016**.

Testing for this change will be available in the New Release testing environment starting **Thursday, August 18, 2016**.

With this migration, there are a few operational changes, as well as new features:

**Normal transfers will switch from two-sided entry match model to allocate/claim match model.**

- The move to allocate/claim model is in accordance with the recommendations of the FIA Committee on Transfers in 2010.
- -For regular transfers, the two parties involved can decide who will enter the transfer, and who will claim. If no accord can be reached, the Seller of the transfer will enter the transfer, while the other party will claim.
- For bulk transfers, the firm that owns the positions will enter the transfers.
- The API for futures and explosion trades will not be affected.

**Changes to the Allocate/Claim Trade API:**

- There were some changes made to the allocate/claim API for transfers. The API specifications can be downloaded from CME Group Website here:  
<http://www.cmegroup.com/clearing/files/allocate-claim-match-model-overview.pdf>

**Additional Changes/Features:**

- Transfer trades posted into FECPlus via API message in error will not be editable. Firms are required to delete those error trades from FEC Plus and re-add them.
- Auto Transfer button in FEC Plus will be used for creating offsetting transfers from existing trades in FECPlus. (Please note that, initially this will apply to next-day ClearPort trades only, including CDS)
- Auto Transfer button in FEC Classic will no longer be supported. Pit Trades will be eligible for the Auto Transfer button in FECPlus once they've migrated.
- A new feature will allow Transfers can be uploaded via .csv file into the FECPlus UI.
- Auto-Accept features will be extended to apply to transfers, including Auto-Accept Rules and same CMF Auto-Accept.

**Transfer Reason Codes:**

With this migration, the list of Transfer Reason Codes has been reduced. Below is a list of the 12 valid Transfer Reason Codes that are supported by CME Clearing, 10 of which can be assigned by firms, while with the other 2 being system-generated only

Code	Description
B	For correcting Rule 527 mis-clears
C	Transfer between accounts in which the underlying beneficial ownership is identical
E	Transfer to correct, an error in assignment of account (in-house) or customer/house origin error or firm-to-firm clerical error in clearing a trade
J	For rule 770 transfers
M	Transfer for portfolio margining purposes
N	Transfer of positions to a newly approved clearing firm
P	Fungible Transfers and Delivery Transfers (system generated, cannot be submitted by firms)
T	Transfer due to the merger of two or more clearing firms
V	Auto-transfer Offset (system generated, cannot be submitted by firms)
W	Transfer due to withdrawal of a clearing firm
X	For transferring new or offsetting Singapore Exchange executed positions between local firms
Y	Cross Exchange Transfer (OCC)

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