

TO: Clearing Member Firms; Back Office Managers  
FROM: CME Clearing  
ADVISORY #: 17-172  
DATE: Thursday May 4, 2017  
SUBJECT: New Release OTC FX Advisory – Netting and Transfers

Please be advised that CME Clearing is now live in New Release with OTC FX Netting and Transfer functionality. These enhancements are scheduled for a Production release on May 22<sup>nd</sup>.

### **Netting**

Netting may be used to compress trades within a clearing position account. Trades may be fully or partially netted if key trade economics match, with corresponding termination messaging sent to clearing member firms.

Three account settings are now available with this enhancement:

- Gross: All trades will remain cleared until maturity. This is the default setting.
- Net: Trades within the account will net if the following criteria matches: CCY Pair, FX Fixing Date, and Trade Price.
- Selective Net: Same as 'Net' except the Client ID must also match.

### **Transfers**

OTC FX clearing firms may use Deal Management System (DMS) to perform full or partial transfers via GUI or CSV upload. CME will calculate a default transfer fee upon previewing transfer, offsetting all cash flows due to settle in original account and on-setting cash flows in new account. Upon transferring a trade, CME will create the following:

- TRANSFER\_OUT: This trade will offset the trade in the source account
- TRANSFER\_IN: This trade will onset the trade in the destination account

Please note that any transfer to a different clearing firm will go through the standard new trade workflow and will need to be claimed by the receiving firm. Also, note that a transfer out of a "Bunched Order Account" will result in corresponding notation (ALLOCATION\_OUT, ALLOCATION\_IN).

**DMS FX NR LINK:** <https://dmsfxnr.cmegroup.com/>

For more information, please contact the CME Client Services Team at [onboarding@cmegroup.com](mailto:onboarding@cmegroup.com) or 312.338.7112.

Regards,

CME Clearing