

DATE: September 24, 2018

TO: Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 18-380

SUBJECT: **Testing CBOT Eris Swap Futures Migration, October 2, 2018**

Following the announcement of the CME Group Eris Swap licensing agreement, Eris Swap Futures will be listed on Chicago Board of Trade (CBOT) on Sunday December 2, 2018. Firms can start testing CBOT Eris Swap futures in New Release starting October 2, 2018. Below are recent CME notices for additional details on the listing and migration of Eris Swap futures to CBOT.

Initial Listing of Eris Swap Futures Contracts:

<https://www.cmegroup.com/content/dam/cmegroup/notices/clearing/2018/09/Chadv18-367Revised.pdf>

Eris Swap Futures Migration to CBOT:

<https://www.cmegroup.com/content/dam/cmegroup/notices/clearing/2018/07/Chadv18-286.pdf>

As a reminder, the CBOT Eris Swap Futures contracts will trade on the CME Globex electronic trading platform, and block trades and Exchange for Related Position (EFRP) will trade on CME ClearPort and CME Direct. All CBOT member firms will be eligible to clear Eris Swap Futures, and contract users will no longer need to maintain trading connections with Eris Exchange.

Listing rules and product codes

CBOT Eris Swap futures will be listed as March Quarterly contracts with IMM swap start dates, with pre-specified fixed swap rates, and with pre-specified swap tenors of 2, 3, 4, 5, 7, 10, 12, 15, 20, and 30 years. Product codes will be three-byte values as follows --

<u>Tenor</u>	<u>Product Code</u>
2Y	LIT
3Y	LIC
4Y	LID
5Y	LIW
7Y	LIB
10Y	LIY
12Y	LII
15Y	LIL
20Y	LIO
30Y	LIE

Clearing Firms Setup and Systems impacts

The transfer to CBOT will have no major system impact. The main difference is that Eris Swap Futures contracts will be traded and cleared as CBOT contracts instead of appearing as CME contracts as they are now.

- There will be no separate Trading Firms setup in clearing for CBOT Eris Swap Futures since trades and positions will be posted into current CBOT firms.
- Clearing confirms will be routed to existing firms queues currently used for CBOT products.
- Trades will post into FECPlus and Positions under the CBOT Product Exchange.
- No special access is required to view CBOT Eris Swap futures in CME Clearing applications., as long as the user has access to the CBOT Product Exchange.
- CBOT Eris Swap Futures will be included in firms' CBOT trade register files and reports, available in SFTP and EREP.
- PCS submission for Eris Swap Futures should be submitted under Product Exchange CBOT.

Testing Open Interest Migration

CME Clearing will migrate New Release open interest in Eris Swap Futures from the Eris Exchange to CBOT on Wednesday, October 3, 2018. CME Clearing will coordinate the open interest transfer with clearing member firms that carry open interest in Eris Swap Futures in new release.

Additionally, the market-side convention for quoting and trading will change. Upon completion of the transfer to CBOT, the holder of a long position in an Eris Swap Futures contract will be the receiver of fixed-rate interest and the payor of floating-rate interest, thereby making Eris Swap Futures contracts consistent with the market-side conventions that apply to other interest rate futures products listed on the CME Group Exchanges. Basically, if the position was short before the conversion, the position will be long after the conversion and vice versa.

Testing opportunities

- Testing CBOT Eris Swap Futures on CME Globex and ClearPort will be available on Tuesday, October 2, 2018.
 - Testing will only be available in New Release environment.
-

- Firms can execute test trades on CBOT Eris Swap Futures in Globex and Clearport in new release.
- Firms can request test Eris Swap Futures trades from CME's CSET Team.
- Firms should ensure trades are posting in FECplus and conduct post trade processing testing such as trade corrections, and allocations via UI and API.
- Submit new release PCS and CGM files into sftp:
 - PCS testing file name: **CERT.PCS.CMF_xxx.xml**
 - CGM testing file name: **CERT.CGM.xxx.01.xml** (*xxx is the firm id*)
- Download CBOT Testing Settlement Price from public ftp site: <ftp://ftp.cmegroup.com/settle/nr/>
- Download NR SPAN file: <ftp://ftp.cmegroup.com/pub/span/data/cme/nr/>
- Download new release CBOT trade register FIXML file from sftp and able to reconcile with the exchange.

Globex or ClearPort test trades can be requested from the [Certification Support for Electronic Trading \(CSET\)](#) team in the U.S. at +1 312 930 2322, in Europe at +44 20 3379 3803 or in Asia at +65 6593 5593 while testing in New Release.

For further information, please contact CME Clearing at 312-207-2525 or ccs@cmegroup.com.
