

TO: Clearing Member Firms

FROM: CME Clearing

DATE: November 21, 2018

ADVISORY #: 18-466

SUBJECT: **REMINDER - BTIC on Bloomberg Commodity Index (BCI)
Transfer/Corrections, December 3rd**

As a reminder, effective Monday, December 3, 2018, CME Clearing will begin using an enhanced version of the Transfer/Correct feature to address Market Disruption events on BTIC Trades on the Bloomberg Commodity Index.

Prior to this enhancement and following the launch of BTIC on BCI futures, the procedure for handling market disruption event required CME Clearing to enter cash adjustments using the final updated value of the index.

<https://www.cmegroup.com/content/dam/cmegroup/notices/clearing/2018/07/Chadv18-301.pdf>

With this enhancement, when a market disruption occurs, all BTIC on BCI trades will still settle normally, top-day using a "temporary" Index Close Price. However, when Resolution Price is determined (as many as 7 days later), for the BTIC on BCI trades, CME Clearing will:

- Generate Transfers to OFFSET the original trades that are based on the temporary closing values of the index.
- Then post new Trades, in original Trade Type and Trade Date, using the Resolution Price.

No other messaging changes are expected with this feature.

Testing:

This enhancement is currently available to test in the New Release (NR) test environment. A market disruption event will be simulated in the NR environment on Tuesday, November 27th. Firms that would like to participate in the test, to ensure that they will be able to handle the Onset trades from this process, may request test BTIC trades in the Bloomberg Commodity Index from our CSET Team.

Below are a series of sample messages for a ClearPort trade for this workflow:

Day 1, Top-Day (Add)

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Day 1, Top-Day (Match)

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Day 1, Top-Day (Final Price Updated)

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Day 3, Day of Transfer/Correction (Transfer Offset)

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Day 3, Day of Transfer/Correction (New Onset)

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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