

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 19-257

DATE: August 7, 2019

SUBJECT: **REMINDER & UPDATE #3: CME Delegated Reporting Decommission**

Please note that this advisory is identical to advisory 19-101 that CME Clearing published on March 22, 2019. Please treat this advisory as a reminder that CME Clearing intends to decommission our delegated reporting service effective January 13, 2020.

Since 2014, CME Clearing has offered a [complimentary delegated reporting service](#) to CME Group's European (ETR) and Australian (ATR) trade repositories. Through this service, CME Clearing has helped clients meet their regulatory reporting obligations by reporting clients' cleared transaction data on their behalf to these repositories. Please note that effective January 13, 2020, CME Clearing will no longer offer this delegated reporting solution. As a result, any client currently making use of our delegated reporting service must arrange for EMIR and/or ASIC submissions to be sent by another provider or self-report this information directly.

CME Clearing will contact impacted clients individually to discuss reporting options, including how to report directly or through another provider to CME's award-winning global trade repository services, which you can read more about on [our webpage](#).

As another option, CME Group completed its acquisition of NEX Group plc on November 2, 2018. Following this acquisition, CME's Regulatory Reporting Hub can help clients should they need to source, enrich and validate regulatory reporting data, before it is routed to a trade repository by the Hub service. You can find more information about the CME Regulatory Reporting Hub services from [our team](#).

CME Clearing is committed to help make this a smooth transition for our clients and we are happy to discuss details around this transition with you.

For clients that are currently signed up for our delegated reporting service, here are some points for your consideration –

- Determine how you will meet your regulatory obligations going forward – either by reporting to a trade repository directly, through a third-party service provider or using the CME Regulatory Reporting Hub.

- If you or your service provider choose to report to a trade repository other than a CME trade repository, you will need to port your historical open transactions to the new trade repository. Should you continue to report directly or through a service provider to CME trade repositories then this step is not applicable.
- Communicate with CME about the date on which we can unsubscribe you from our CME Clearing delegated reporting service. Some firms may already have a solution in place to report directly to CME's trade repositories or externally, and are no longer in need of CME Clearing's delegated reporting service. If that's the case, just let us know the date on which you wish to unsubscribe from the service in advance of the January 13th, 2020 decommission date.

Brexit contingency arrangements

In June 2016, the UK voted in a referendum to leave the EU (Brexit). Negotiations regarding the terms of the UK's withdrawal from, and future relationship with, the EU continue and the position with regard to any transition period is not certain. As of the date of this Advisory, the earliest date that the UK may leave the EU is 31 October 2019 but this may be subject to further change.

Brexit may impact EU and UK customers of the CME Clearing delegated reporting solution currently provided by CME to entities with a reporting obligation under the EU EMIR Regulation (the "EMIR Delegated Reporting Service"). Under this service CME currently reports EMIR data relating to the cleared transactions of participating customers to CME ETR on behalf of the relevant customer. CME Group has put in place a contingency plan for this service in case of a scenario where the UK leaves the EU without a transition arrangement in place – a so called "Hard Brexit".

Additional Hard Brexit contingency information

CME Group's recent acquisition of NEX Abide Trade Repository AB provides CME Group with an EU27¹ EMIR registered trade repository domiciled in Sweden² ("CME EU27 TR"). CME Group's UK domiciled EMIR registered trade repository, CME ETR, has applied to the UK Financial Conduct Authority for registration as a UK trade repository, to take effect on a Hard Brexit ("CME UK TR") in order to service UK domiciled derivative counterparties.

In the event of a Hard Brexit, the EMIR Delegated Reporting Service will continue subject to the following changes:

- CME will submit to CME UK TR derivative data reportable under the UK regime replacing EMIR in respect of customers of the service domiciled in the UK; and
- CME will submit to CME EU27 TR derivative data reportable under EMIR in respect of customers of the service domiciled in the EU27.

¹ For the purposes of this Advisory, "EU27" refers to the members of the EU, excluding the UK.

² See https://www.cmegroup.com/media-room/press-releases/2018/11/02/cme_group_completesacquisitionofnexcreatingaleadingglobalmarkets.html

CME will determine the domicile of each customer of the service, and therefore the relevant trade repository to receive a transaction report in respect of a reportable trade cleared by CME for the participating customer, based on the “Jurisdiction of Formation” information associated with the customer’s LEI contained in the Global Legal Entity Identifier Foundation system (<https://www.gleif.org/>).

The service is currently provided by CME subject to the terms of the Delegated Reporting Service Registration Form (for U.S. Markets)³ (the “Registration Form”). In the event of a Hard Brexit, from such date the terms and conditions for the service shall be amended by CME to reflect the necessary changes described above. Further details will be provided to participating customers in due course.

For EU27 and UK customers that access their derivative data reported to CME ETR under the service, further details on the impact of a Hard Brexit, including the porting of EMIR data to CME EU27 TR have been provided directly by CME ETR. Customers that wish to access data reported by CME under the service following the Brexit date should connect directly to CME EU27 TR and/or CME UK TR, as applicable.

Further details on this and any related matters are available on request. If you have any questions, you may contact us at (312) 580 5352 or delegatedreporting@cmegroup.com

³ Accessible at <https://www.cmegroup.com/trading/global-repository-services/cme-delegated-reporting-service.html>