CME Group | Advisory Notice

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

ADVISORY #: 20-299

SUBJECT: Collateral Limit Modifications

DATE: August 3, 2020

Effective August 3, 2020, CME Clearing (CME) will implement the following changes to its schedule of acceptable performance bond collateral:

- CME currently accepts foreign sovereign debt issued by Canada, France, Germany, and the United Kingdom to meet performance bond requirements up to $1 billion USDE per clearing member (and affiliates). CME will increase this limit to $1.4 billion USDE per clearing member (and affiliates).
- CME currently accepts foreign sovereign debt issued by Singapore to meet performance bond requirements up to $100 million USDE per clearing member (and affiliates). CME will increase this limit to $150 million USDE billion per clearing member (and affiliates).
- CME currently accepts select U.S. government agency mortgage-backed securities issued by Fannie Mae, Freddie Mac, and Ginnie Mae to meet performance bond requirements up to $1 billion. CME will increase this limit to $1.4 billion per clearing member (and affiliates).
- CME currently limits the aggregate amount of money market mutual funds, Canadian provincial debt, corporate bonds, exchange-traded funds, stock, COMEX gold warrants, London gold bullion, supranational debt, and foreign sovereign debt (other than sovereign debt issued by Canada, France, Germany, and the United Kingdom) to meet performance bond requirements to $5 billion USDE per clearing member (and affiliates). Money market mutual funds deposited as performance bond via CME's IEF2 program will no longer be included in this $5 billion USDE aggregate limit. The IEF2 limit per clearing member (and affiliates) will remain unchanged at $5 billion.

For collateral acceptance criteria as well as information regarding limits and haircuts, please see the Standard Acceptable Collateral and Resources website.

For information related to non-cash collateral fees, please see the Cash Interest Rates and Non-Cash Collateral Fees website.

For further information related to collateral, please contact CME Credit Risk at CreditRisk@cmegroup.com.