



Clearing Advisory Notice

TO: Clearing Member Firms

FROM: CME Clearing

DATE: September 28, 2020

ADVISORY #: 20-376

SUBJECT: Exercise & Assignment and Clearing Transformation Trade Types Project – New Phase 1 Production Date

Please be advised that the Production date for Phase 1 of the Exercise & Assignment and Clearing Transformation Trade Types Project has been moved to Monday January 25, 2021.

CME Clearing is adding two new Trade Types: Exercise & Assignment (E/A), and Clearing Transformation. These Trade Types will be similar to a Transfer, as they are Ex-Pit trades, which are not included in Exchange Volume totals, but E/A Trades and Clearing Transformation Trades will be eligible for Post-Trade Processing (Give-Up, and Average Pricing).

The results of Exercise & Assignment will be posted using the E/A Trade Type into FECPlus in real-time. The Clearing Transformation Trade Type will be used instead of Transfers for current Transformation Processes, including BTIC+ and TACO+ expirations, the Electricity (Power) Monthly-to-Daily Conversion Process, and for the LIBOR to SOFR Conversion, when that time comes. For all these scenarios, real-time FIXML messages will be sent to Clearing Firms, and the trades will be represented on the Print Trade Register and FIXML Trade Register.

The technical specification for the real-time FIXML messages can be viewed here:

<https://www.cmegroup.com/clearing/files/clearing-transformation-trade-type-fixml-specs.pdf>

The updated specification for the FIXML Trade Register can be reached here:

<https://www.cmegroup.com/clearing/files/fixml-trade-register-overview.pdf>

The project to introduce the Clearing Transformation Trade Types will be split into three phases.

Phase 1 – New Release: Late October – Production: January 25, 2021

- Exercise & Assignment results will post to FECPlus as Trades
- FIXML messages will be sent to Clearing Firms
- Account, CTI, and Origin updates will be allowed
- The trades will NOT be eligible for Post-Trade Processing in Phase 1
- The trades will appear on the Print and FIXML Trade Registers

Phase 2 – Q1 2020

- Exercise & Assignment Trades will be eligible for Post-Trade Processing.
- Firms will need to use FECPlus to submit Exercise & Assignment Allocations, rather than the Exchange Fees System

Phase 3 – TBD

- BTIC+, TACO+, and Electricity (Power) Monthly-to-Daily Conversion Process will be updated to post the results using the Clearing Transformation Trade Type instead of Transfers.

- Those trade will be eligible for Post-Trade Processing.

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