CME Group | Advisory Notice

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 21-079

DATE: March 14, 2021

SUBJECT: CME Clearing to Launch Clearing Partnership with FEX Global

Pending all required regulatory approvals, CME Clearing and FEX Global ("FEX"), a Sydney-based derivatives exchange operated by FEX Global Pty Limited, are jointly announcing the intended launch of CME-cleared energy and commodity futures and options on futures focused primarily on servicing the Asia-Pacific region effective for trading at **5:00pm Chicago time on March 25, 2021 / 10:00am Sydney time on March 26, 2021**.

Listed below are several operational considerations–

- Trades for this market will clear under a firm exchange and product exchange of 'FEX'.
- To clear FEX business, a clearing firm must be a NYMEX FCM clearing member in good standing and complete additional documentation as required by CME Clearing.
- Customer positions and collateral are required to be carried in secured accounts in accordance with CFTC Regulation 30.7.
- FEX products will be cleared in the Base Waterfall
- On the Settlement and Banking Report for the FEX clearing cycle the funds segregation type for customer processing will be shown as **CNSEG**, which denotes the secured 30.7 account class.
- Collateral to meet AUD-denominated requirements will be limited to AUD cash. Collateral to meet USD-denominated requirements will be limited to U.S. Treasuries, USD cash and AUD sovereign bonds.
- CME Clearing has created two new settlement cycles in the APAC time zone to accommodate FEX and better support market participants in the region. CME's intraday FEX clearing cycle will run at mid-day and the end-of-day cycle will run at the close of business, both in Sydney local time.
- CME will produce all normal end of day reporting and data files in the same format that exists today for other markets. Standard FIXML trade registers will be provided.
- Real-time FIXML messaging will be available and CME Clearing can send this to either existing MQ channels or to new channels created for this business.
- To assist with fee processing, CME Clearing will provide a FEX-specific, monthly fee detail report for NYMEX clearing firms that clear for FEX.
- Clearing applications to support FEX will generally require separate instances of the same applications used today. For example, Front End Clearing (FEC) functionality will remain the same as for other exchanges but will require a separate FEC weblink login in order to see FEX transactions.

- FEX products will NOT be listed for trading on CME Globex or clearing on CME ClearPort. All trades will be executed on FEX's matching platform and sent to CME Clearing.
- For access to clearing applications, please complete the Member Firm Online Access Request Form and specify FEX access on page 2.
- Information regarding settlement price files, SPAN files, and input files to CME are detailed on the last page of this advisory. You can also find more information regarding operations and fees on our website at https://www.cmegroup.com/clearing/operations-and-deliveries.html (see FEX specific links under 'Resources'). We have operational presentations available, upon request.

Testing is currently available in the New Release environment. Firms can submit trades directly via FEX or request that CME inject trades into clearing.

In connection with this planned launch, CME Clearing will implement previously certified rule amendments, as reflected in CFTC Submission No. 18-288, as of March 25, 2021 (CT).

You may find additional information about this partnership via the following links –
CME/FEX FAQ - https://www.cmegroup.com/international/partnership-resources/fex-faq.html
FEX Website – https://www.fex.com.au/fexglobal.shtml

NYMEX Clearing Member firms & clients who are interested in participating in this market may contact our team via email at FEXClearing@cmegroup.com or via telephone at 312-207-2525.

Regards,
CME Clearing

Referential Data --

Type	Location	Naming Convention
Product Reference Files	ftp://ftp.cmegroup.com/fprf/nr ftp://ftp.cmegroup.com/fprf/	Multiple files, File name contains "FEX"
Settlement Price Files	ftp://ftp.cmegroup.com/settle/nr ftp://ftp.cmegroup.com/settle/	fex.settle.nr.yyyymmdd.s.txt fex.settle.nr.yyyymmdd.s.xml fex.settle.yyyymmdd.s.txt fex.settle.yyyymmdd.s.xml
SPAN Files	ftp://ftp.cmegroup.com/span/data/fex/nr ftp://ftp.cmegroup.com/span/data/fex/nr/xml ftp://ftp.cmegroup.com/span/data/fex ftp://ftp.cmegroup.com/span/data/fex/xml/	fex.yyyymmdd.s.pa2 fex.yyyymmdd.s.xml fex.yyyymmdd.s.pa2 fex.yyyymmdd.s.xml

PCS, CGM & DBOR Input Details

Type	Location	Naming Convention
PCS	/cme/ftp/ F###FTP/Incoming	PCS.FEX_CMF_###.xml NR_FEX.PCS.FEX_CMF_###.xml
CGM	/cme/ftp/F###FTP/Incoming	FEX.CGM.###.01.xml NR.FEX.CGM.###.01.xml
DBOR	Submitted Directly to FEX	

- Note – large trader submission to CME is **not** required.