

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 21-103

DATE: 03/19/2021

SUBJECT: OTC IRS New Release – OIS Product Enhancements and CAD CDOR 6M and 12M
Tenor Cessation

CME Clearing will add the below product enhancements to the New Release environment on March 24, 2021 and to the Production environment on April 12, 2021 pending all relevant CFTC regulatory review periods. CME CORE support will be available from March 31, 2021 in New Release and Production April 12, 2021.

Variable Notional support for OIS products

- CME will support variable notional (amortizing, accreting, rollercoaster) on the below OIS
 - Scope: AUD, CAD, COP, EUR, GBP, INR, JPY, USD-EFFR, USD-SOFR
- CME has released an operational specification for Clearing Members showing the impacts to trade attributes and the restrictions applied to variable notional

Extend maximum maturity support for AUD, CAD, GBP, and JPY OIS

- Clearing support will be extended to match the respective IBOR swaps in each currency
 - AUD OIS support extends from 6 years to 31 years (11,333 days)
 - CAD OIS support extends from 3 years to 31 years
 - JPY OIS support extends from 30 years to 31 years
 - GBP OIS support extends from 30 years to 51 years (18,638 days)
- CME pricing curves currently support the extended maturities and are unchanged by this extension

Cessation of clearing support for the 6 month and 12 month tenors of CAD CDOR (Canadian Dollar Offer Rate)

- The administrator of CDOR has announced that it will cease publication of the 6-month and 12-month CDOR tenors effective May 17th, 2021
- CME will discontinue the clearing of CAD IRS stubs and FRAs at the 6 month and 12 month tenors. CME does not currently support IRS floating rate options at these tenors
- Full clearing support will continue for 1 month, 2 month, and 3 month tenors of CAD CDOR

For questions, please contact the CME Client Services Team at onboarding_clearing@cme.com or +1 312 338 7112.

Regards,

CME Clearing