

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 21-285

DATE: 8/17/2021

SUBJECT: OTC IRS New Release Advisory – Dress Rehearsal for Basis Swap Splitting

Please be advised that CME will be conducting a dress rehearsal for the splitting of GBP and JPY LIBOR basis swaps in our New Release environment on **Friday, August 27, 2021**. This process will run as part of CME's end of day cycle where GBP and JPY LIBOR basis swaps will be converted (split) into a pair of fixed-float swaps. This conversion will not require cash compensation as portfolio NPVs will remain unchanged.

Reporting and Messaging

- All information pertaining to the terminated basis swaps and cleared fixed-float swaps will be available on the Interest Rate Swap Trade Register (IRSTR) file.
 - The new "CONVERTED_TRADE_ID" column will be populated with the CME Cleared Trade ID of the original basis swap for each corresponding fixed-float swap.
 - A new "INDEX_CONVERSION" Terminating and Originating Event will be applied to the basis swap and corresponding fixed-float swaps respectively.
- CME clearing Confirmed messaging corresponding to the terminated basis swaps and fixed-float replacements will be sent to IRS Clearing Firms as a result of conversion processing.
 - A new "INDEX_CONVERSION" Terminating and Originating Event will be sent in messaging.
 - The "History" element will provide linkage between the original basis swap and fixed-float replacements.

CME will remove clearing support for GBP and JPY LIBOR basis swaps, in the New Release environment, beginning **Monday, August 30, 2021**.

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

Regards,

CME Clearing