

TO: OTC Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 22-231

DATE: 06/17/2022

SUBJECT: Enhancements to Account Management Service for OTC Customers

Three enhancements to Account Management Service (AMS) will be available in New Release on the evening of **Tuesday, June 21, 2022** and available in Production starting **Friday, June 24, 2022**. The enhancements are as follows:

1. A Clearing Account may now be assigned a non-“SELF” Margin Account owned by any other registered Owner Firm that uses the same Legal Entity Identifier (LEI) under the same OTC Clearing Member.

Currently, Account Management Service would only allow two clearing accounts to be configured to be margined together if both of the accounts were owned by the same single entity registered with CME. However, sometimes a legal entity (with a single Legal Entity Identifier (LEI)) will register multiple times with CME, e.g. to represent different trading desks. CME Clearing permits accounts with different registered owners under the same clearing member to be margined together so long as the account owners share the same LEI, but AMS does not allow this structure to be set up.

Current State Scenario: A single legal entity (with one LEI) has registered two different trading desks separately with CME as potential account owners. The entity wishes accounts created for both of the trading desks under the same OTC Clearing Member to be margined together. Because the two trading desks are registered with CME separately, AMS does not permit their accounts to be configured to use the same margin account. To achieve the desired margin account structure, the firm creating the accounts in AMS also needs to contact CME Clearing directly to arrange the structure downstream.

This restriction is being relaxed such that as long as two account owner firms registered separately with CME are in fact the same legal entity (and therefore were registered with CME using the same LEI), AMS will allow accounts to be built for them under the same OTC Clearing Member that are margined together.

Account Rule Update Scenario: A single legal entity (with one LEI) has registered two different trading desks separately with CME as potential account owners. The entity wishes accounts

created for both of the trading desks under the same OTC Clearing Member to be margined together. AMS will now permit the setup of a clearing account owned by the first trading that is margined together with a clearing account under the same OTC Clearing Member owned by the second trading desk, as long as their registered LEIs are the same.

2. Firms can now search in AMS for existing accounts belonging to a specific Account Owner using the registered LEI of the entity, not just the full legal name.
3. Firms can now search in AMS for existing accounts managed by a specific Asset Manager using either the full legal name or the registered LEI of the entity.

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

Regards,

CME Clearing