

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

Advisory #: 22-332

SUBJECT: Modifications to Schedule of Acceptable Performance Bond – Limit increase for Letters of Credit

DATE: September 1, 2022

Effective September 1, 2022, CME Clearing (CME) is amending its list of acceptable collateral to increase the limit for bank issued Letters of Credit ("LOCs"). More specifically, CME Clearing is amending the hard dollar limit from \$500 million to \$1 billion, per Clearing Member (and affiliates). The percentage cap remains the same at 25% of each Clearing Member's performance bond requirement (per origin).

CME Clearing is also amending the hard dollar limit for Clearing Members that post additional LOCs on behalf of qualifying commercial end users from \$1 billion to \$2 billion, per Clearing Member (and affiliates). The percentage cap under the commercial end user exemption remains the same at 50% of each Clearing Member's performance bond requirement (per origin). Please contact CME Clearing for more information regarding eligibility for the exemption.

For more information related to LOCs, please refer [here](#).

For collateral acceptance criteria, as well as information regarding limits and haircuts, please see the [Standard Acceptable Collateral and Resource website](#).

For questions regarding delivery instructions or testing, please contact ClearingHouseFinancial@cmegroup.com.

For all other questions, please contact Credit Risk at CreditRisk@cmegroup.com.