

TO: Clearing Member Firms; Back Office Managers
FROM: CME Clearing
ADVISORY #: 24-035
DATE: January 31, 2024
SUBJECT: **Exercise & Assignment (E/A) Processing and Deadline Changes for CME/CBT**

Please be advised that CME Clearing has planned changes to the Exercise & Assignment (E/A) Processing Times and Deadlines for CME/CBT Options. Option Assignment Processing for CME and CBT early Option Exercises will be moved to align with the times for Expiring Options. This change is scheduled for Trade Date **Monday, March 18, 2024**.

Benefits

- Firms will be able to include all Option Assignment activity on their customer statements top-day, allowing customers to manage their exposure earlier
- Streamlined Portfolio Margining process, allowing Firms to include all Option Assignments in Optimization
- Allows Firms to include all option activity in their Customer Gross Margin file preventing excess margin charges due to breaks in position reporting

Firm Behavioral Changes

- Requires Firms to complete Post-Trade Allocations and Transfers, and report Final Positions (PCS) for all CME/CBT options by the Options Instruction Deadline
- Portfolio Margin operational process changes may be required

The table below outlines the current and updated timeline (all times displayed in CT)

	Option Instruction Submission Deadline	Allocation Deadline	Assignment Times	E/A Report Times
Expiring NYMEX/COMEX Options	3:30pm CT	3:30pm CT	3:45pm CT	4:15pm CT
Early Exercise NYMEX/COMEX Options	3:30pm CT	5:45pm CT	6:15pm CT	6:45pm CT
Expiring CME/CBT Options	5:30pm CT	5:30pm CT	5:45pm CT	6:15pm CT
Early Exercise CME/CBT Options (Current)	5:30pm CT	7:00pm CT	8:30pm CT	9:00pm CT
Early Exercise CME/CBT Options (New)	5:30pm CT	5:30pm CT	5:45pm CT	6:15pm CT

Testing

These changes are currently available to test in the New Release (NR) environment.

For more information, please contact CME Clearing at ccs@cmegroup.com or via phone at Chicago (312) 207 2525 | London (44) 203 379 3198 | Singapore (65) 6593 5591