



Advisory Notice

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

ADVISORY #: 24-178

DATE: June 21, 2024

SUBJECT: Release of Enhanced CME Globex Credit Control Tools

In order to enhance the risk management tools available to Clearing Members utilizing CME Globex®, CME Group (on behalf of CME/CBOT/NYMEX/COMEX) is rolling out enhanced CME Globex Credit Control functionality, commonly referred to as “Enhanced GC2”. CME Globex Credit Controls (GC2) is a front-end application that provides pre-execution risk controls that enable Clearing Member or Partner Exchange Clearing Member risk administrators to set exposure limits for order and trade activity transacted on CME Globex and cleared by CME Clearing.

Below please find an outline of the main differences between the existing GC2 functionality and the enhanced GC2 functionality. For more information, users are advised to access the following [link](#).

Current GC2	Enhanced GC2
Available Clip Size - Most Restrictive Available Exposure/Dynamic Margin Rate Max Quantity Limit Available Exposure/Selected Product Margin Rate in RMT UI	Available Clip Size - Most Restrictive Available Exposure/Actual Product Margin Rate Max Quantity Limit N/A
Futures Margin Rates - Static Values from Previous Friday End-of-Day Strategies (Futures and Options) Spread Discount Given after Order Acceptance	Futures Margin Rates - Updated Daily COB Strategies (Futures and Options) Order Acceptance Based on Spread Discount Value No Change in Spread Usage Calculation Methodology
Option Risk Values SPAN 13th Risk Array Static Values from Previous Friday End-of Day N/A	Option Risk Values Option Delta * Futures Margin Rate Option Deltas Updated Daily COB Minimum Risk Value - \$20

Effective July 1st, 2024, CME will make Enhanced GC2 available on a voluntary basis while still retaining the option for Clearing Members to continue using the Current GC2 functionality.

Effective, July 29th, 2024, CME will switch all Clearing Members to the Enhanced GC2 functionality on a mandatory basis.

Clearing Members who seek to volunteer to migrate ahead of the mandatory cutover date can reach out to the Global Command Center (GCC) via email or phone number below.

Pursuant to CME Rule 949 *Credit Controls*, "Clearing Members shall comply with all credit control policies developed by the Exchange for customer and proprietary transactions. Such credit control policies may include, but not be limited to, registration of credit control administrators with the Exchange, definition of credit control limits, and maintenance of written procedures verifying compliance with Exchange credit control requirements. For general reference purposes, credit control functionality that may be developed for CME Globex is a system or service pursuant to Rule 578." This includes mandatory utilization of GC2. Please note that any GC2 credit control functionality required by the Exchange shall be in addition to a Clearing Member's internal risk monitoring, credit control procedures and related regulatory obligations, if any.

Should you have any questions, please contact CME Clearing Risk Management at clearing.riskmanagement@cmegroup.com or 312-648-3888. In addition, please also contact GCC at gcc@cmegroup.com or 800-438-8616.