Special Executive Report

S-7914 **May 12, 2017**

Reminder Regarding the Prohibited Use of Generic Accounts for Transfers

Exchange Clearing Member Firms ("Firms") are reminded that CME Clearing Advisory Notice 16-441 (CHAN 16-441) from October 21, 2016, notified Firms that normal transfers of trades would switch from a two-sided entry match model to an allocate/claim model in FECPlus. Transfers must be identified with an accurate transfer reason codes and must use the actual account numbers that appear on the books of the Clearing Member Firm. The use of generic accounts (i.e. BLKTRNF, CUST, HOUSE, etc.) is prohibited.

Historically, Firms may have used generic accounts for type 'E' transfers to correct an error in the assignment of an account, customer/house origin error or firm-to-firm clerical error in clearing of the trade. However, pursuant to CHAN 16-441, Clearing Member Firms must use the accurate account number, and may prefix or suffix the number with "CH" or "XXX" when correcting the customer/house origin. This will maintain a transparent audit trail, while still ensuring that the customer account statement does not appear misaligned.

If you have any questions regarding the amendments, please contact one of the following individuals in Market Regulation:

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Jeff Nierman, Senior Data Investigator at 312-341-3195

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434.