

## Special Executive Report

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**S-8237**

**September 26, 2018**

### **Acceptance of Clearing of USD Overnight Index Swaps (OIS) on Secured Overnight Funding Rate (SOFR) Interest Rate Index**

Effective Sunday, September 30, 2018 for trade date Monday, October 1, 2018, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") shall amend CME Chapter 901 ("Interest Rate Swaps Contract Terms") to provide for the acceptance of USD overnight index swaps ("OIS") on the Secured Overnight Funding Rate (SOFR) denominated in USD (the "Contracts"). USD overnight index swaps on the SOFR interest rate index will be available for submission for clearing via CME ClearPort.

CME Group will launch clearing for SOFR-based interest rate swaps for both the outright OIS and Basis Swaps to facilitate trading between SOFR and the existing benchmarks.

Exchange fees in connection with the Contracts may be viewed [HERE](#).

Exhibit 1 below provides the specifications of the Contracts.

Exhibit 2 below provides the amendments to CME Chapter 901 ("Interest Rate Swaps Contract Terms") in blackline format.

Please direct questions regarding this notice to:

Lori Aldinger +1 312 930 2337  
Fred Sturm +1 312 930 1282

[Lori.Aldinger@cmegroup.com](mailto:Lori.Aldinger@cmegroup.com)  
[Fredrick.Sturm@cmegroup.com](mailto:Fredrick.Sturm@cmegroup.com)

**EXHIBIT 1**  
**Contract Specifications**

**Secured Overnight Financing Rate Data**

<b>Product Type</b>	<b><u>OIS:</u></b> Fixed versus SOFR <b><u>Basis:</u></b> USD LIBOR versus SOFR EFFR versus SOFR
<b>Floating Rate Index</b>	USD-SOFR-COMPOUND
<b>Maximum Maturity</b>	30 Years
<b>Settlement Convention</b>	USD will be settled on a next day (T+1) basis
<b>Forecasting and Discounting Curve</b>	USD SOFR Curve
<b>Price Alignment Rate</b>	USD SOFR
<b>Reset Calendar</b>	US Gov Securities
<b>Payment Calendar</b>	New York (USNY)

**SOFR OIS (SOFR vs. fixed)**

<b>Product Type</b>	OIS
<b>Currency</b>	USD
<b>Floating Rate Index</b>	USD-SOFR-COMPOUND
<b>Floating Index Tenor</b>	1D
<b>Maximum Maturity</b>	30 Years
<b>Payment Offset</b>	2D on SOFR Leg, 0D or 2D on Fixed Leg

**SOFR vs. USD-LIBOR Basis Swap**

<b>Product Type</b>	Basis
<b>Currency</b>	USD
<b>Floating Rate Index</b>	USD-LIBOR-BBA vs USD-SOFR-COMPOUND
<b>Floating Index Tenor</b>	LIBOR = 1M, 3M, 6M
<b>Maximum Maturity</b>	30 Years
<b>Payment Offset</b>	2D on SOFR Leg, 0D or 2D on Fixed Leg

**SOFR vs Fed Funds Basis Swap**

<b>Product Type</b>	Basis
<b>Currency</b>	USD
<b>Floating Rate Index</b>	USD-Federal Funds H.15-OIS-COMPOUND vs USD-SOFR-COMPOUND

<b>Floating Index Tenor</b>	1D
<b>Maximum Maturity</b>	30 Years
<b>Payment Offset</b>	2D on SOFR Leg, 2D on EFR Leg

## **EXHIBIT 2**

### **CME Rulebook** (additions underlined)

#### **Chapter 901** **Interest Rate Swaps Contract Terms**

#### **90102.E. Rate Options**

#### **90102.E.1. Interest Rate Swaps Rate Options**

With respect to an IRS Contract, the Rate Option elected by the IRS Clearing Participant in accordance with Rule 90002.F from the following Rate Options or combination of Rate Options:

1. USD-LIBOR-BBA
2. USD-Federal Funds-H.15-OIS-COMPOUND
3. USD-Federal Funds-H. 15-LIBOR-BBA
4. EUR-EURIBOR-Reuters
5. EUR-EURIBOR-Telerate (as defined in the 2000 ISDA Definitions, as published by ISDA)
6. EUR-EONIA-OIS-COMPOUND
7. GBP-LIBOR-BBA
8. GBP-WMBA-SONIA-COMPOUND
9. JPY-LIBOR-BBA
10. JPY-TONA-OIS-COMPOUND
11. CHF-LIBOR-BBA
12. CAD-BA-CDOR
13. CAD-CORRA-OIS-COMPOUND
14. AUD-BBR-BBSW
15. AUD-LIBOR-BBA
16. AUD-AONIA-OIS-COMP
17. SEK-STIBOR-SIDE
18. DKK-CIBOR-DKNA13
19. DKK-CIBOR2-DKNA13
20. NOK-NIBOR-NIBR
21. HKD-HIBOR-HKAB
22. NZD-BBR-FRA
23. SGD-SOR-VWAP
24. HUF-BUBOR-Reuters
25. PLN-WIBOR-WIBO
26. CZK-PRIBOR-PRBO
27. ZAR-JIBAR-SAFEX
28. MXN-TIIE-Banxico
29. **USD-SOFR-COMPOUND**