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## Advisory Notice

Clearing House

05-105

TO: Clearing Member Firms,  
Chief Financial Officers  
Back Office Managers

FROM: Clearing House Department

SUBJECT: **June 2005 Currency Delivery Reminders**

DATE: June 8, 2005

The June 2005 currency delivery cycle begins Monday, of June 13, 2005. Listed below are several reminders regarding the currency deliveries, detailed delivery instructions can be found at [www.cme.com](http://www.cme.com) under <http://www.cme.com/clearing/clr/del/delivery/prodcurnny1252.html>.

### **A. CONTINUOUS LINKED SETTLEMENT**

CLS is mandatory starting with the June 2005 delivery cycle for all foreign currency deliveries exceeding \$50 million per currency pair. CLS is not mandatory if the foreign currency delivery can be expected to be less than \$50 million per currency deliveries.

Effective in September 2005, firms with a foreign currency delivery obligation in excess of \$50 million per currency pair failing to use CLS will be subject to a fine of \$10/per million for any currency exceeding the threshold.

All CLS transactions must be entered into CME Deliveries system by 11:00 a.m. on the last day of trading. All transactions must also be entered into the firm's CLS system by 5:00 p.m. The deadline for CLS transactions including Canadian Dollars to match in the CLS system is 1:00 p.m., Tuesday, June 14, 2005. A clearing member firm failing to match a transaction by the deadline will be required to submit an order-to-pay in the appropriate amount for the value of the delivery by 3:00 p.m. on Tuesday, June 14, 2005.

- When entering trades into CLS the firm should not invert the CME settlement price. Please do not use the "Triangulate" feature in CLS. Either of these may result in a currency amount that may cause the CLS trade to be unmatched.
- If a firm enters multiple line items into CLS then it should enter the same number of commitments into the C21 Currency Delivery System.

## **B. MEXICAN PESO**

**Funding for Mexican Peso must be in place prior to the delivery.** Peso payments are made via the Mexican Interbank payment system "SPEUA" ("Spay-wah"). In addition to understanding any special account or funding requirements that approved Mexican delivery banks may have, it is important to have a qualified individual aware of and in a position to answer any questions regarding peso payments on the delivery day. Mexican Pesos are required to be delivered by 10:00 a.m. local time.

## **C. NEW ZEALAND DOLLAR**

**New Zealand dollar payments must be made via the New Zealand Real Time Gross Settlement System (RTGS).** Citibank cannot confirm receipt of payment sent via any other payment system until the business day after settlement date. This may delay the corresponding US Dollar payment to your firm.

## **D. SOUTH AFRICAN RAND**

**There is no longer a dual order-to-pay requirement for the South African Rand.** Only clearing member firms long the South African Rand are required to submit a USD denominated order-to-pay for the value of the Rand delivery by 1:00 PM (Central Time) on the day preceding the delivery day. Citibank, New York must receive the payment for the order-to-pay no later than 10:00 AM **local time** on the delivery day.

## **E. CURRENCY DELIVERY TIMELINE**

Following is the timeline for the June 2005 currency delivery:

- **Thursday, June 9, 2005** - Potential delivery positions and order-to-pay bank information is submitted to the Clearing 21 Currency Delivery System by 4:00 p.m. Central time.
- **Monday, June 13, 2005** - Commitments are due for all contracts except Canadian Dollar by 11:00 a.m. Chicago Time.
- **Tuesday, June 14, 2005** - Commitments are due for the Canadian Dollar by 10:00 a.m. Orders-to-pay are due to the agent banks by 1:00 p.m. For questions regarding Orders-to-pay please contact the Financial Unit at 312-207-2594.
- **Wednesday, June 15, 2005** – Payments of U.S. Dollar and Foreign Currencies are due to the corresponding agent banks by 10:00 AM **local time** to the specific agent bank. The following table converts Chicago time to the applicable foreign country. Deliveries Staff will be in contact with the agent banks during the entire delivery process. It is important to have a qualified individual aware of and in a position to answer any questions at any time during delivery.

Currency	Agent Bank/Location	Agent Bank Time	Chicago Time
N. Z. Dollar	Citibank, Auckland	10:00 AM	5:00 PM *
Australian Dollar	B of A, Sydney	10:00 AM	7:00 PM *
Japanese Yen	DKB, Tokyo	10:00 AM	8:00 PM *
NOK,SEK	Chase, London	10:00 AM	3:00 AM
EUR,CZK, FR,PLN, ZAR	Citibank	10:00 AM	3:00 AM
Swiss Franc	B of A, Geneva	10:00 AM	3:00 AM
British Pound	Chase, London	10:00 AM	4:00 AM
Canadian Dollar	B of A, Toronto	10:00 AM	9:00 AM
US Dollar	Citibank, Buffalo	10:00 AM	9:00 AM
US Dollar	Chase, New York	10:00 AM	9:00 AM
Mexican Peso	B of A, Mexico City	10:00 AM	10:00 AM
US Dollar	B of A, Concord	10:00 AM	12:00 PM

\* Denotes Chicago date of Tuesday, June 14, 2005.