

## Advisory Notice

Clearing House

07-194

TO: Clearing Member Firms  
Back Office Managers

FROM: Clearing House Department

SUBJECT: **Upcoming Changes in Firm Trade ID Usage-Effective Monday, September 17, 2007**

DATE: August 23, 2007

Because of recent surges in electronic trading volume, we are making an important change in how trade ID's are assigned. This change will provide more flexibility and expand the range of available trade ID numbers. This advisory describes this change, and related points regarding the usage of firm trade ID's.

The Firm Trade ID is a sequential number, assigned by the clearing system (or, for open outcry trades, optionally assigned by the firm) to uniquely identify each transaction. It is unique within (a) each firm number ("trading member firm", "TMF", "execution firm"), and (b) each trading day.

### **Current trade ID usage**

- Trade ID's from **1** to **99,999** are used for open outcry trades, normal transfers, and privately negotiated trades such as blocks, EFP's, etc.
- Trade ID's from **100,000** to **499,999** are used for electronic trades -- both for outright and for legs of strategies, including calendar spread trades treated as SLEDs (allowing firms to specify and/or change leg prices.)
- Trade ID's from **500,000** and up are used for (a) electronic calendar spread trades treated as SLEDs -- ie, the trade ID assigned to the spread as a whole, (b) transfer transactions resulting from giveups ("GUS transfers"), (c) transfer transactions resulting from average-pricing ("APS transfers"), and (d) any other transaction where the clearing system assigns the trade ID number.

### **Modified trade ID usage -- no more breakdown at 500,000**

Beginning **Monday September 17, 2007**, there will no longer be a distinction between the range from 100,000 to 499,999 and the range from 500,000 and up.

Instead, **each day we will begin at 100,000 and assign trade ID's sequentially, for the combined pool** of electronic trades, giveup and average-pricing transfers, calendar spreads treated as SLEDs, etc.

This change is being done to provide the greatest possible number of trade ID values below one million. Firms should note, however, that trade ID's for electronic trades will no longer be guaranteed to be sequential.

### **Trade ID numbers greater than 1,000,000**

As the system assigns trade ID numbers, if it hits 999,999, it simply continues assigning numbers into the one million and up range. The next transaction will be assigned trade ID number 1,000,000, and the next one after that number 1,000,001, and so on.

### **Trade ID's, TREX, and FIXML**

Currently, all APS transfer transactions are provided to firms via FIXML messages. Although firms may currently choose to use FIXML both for giveup processing and for electronic trade confirmations and change messages, most firms still use the old TREX message format for these purposes. Note that we have previously published FIXML conversion deadlines of **October 31, 2007** for giveup messages ("GUS API", or "GAPI" messages), and **November 30, 2007** for electronic trade messages.

One of the major advantages of switching to FIXML, is that fields have no inherent size limitation. In particular, in FIXML, trade ID numbers can go as large as necessary. In TREX, on the other hand, trade ID numbers cannot exceed 999,999.

This limitation of TREX is a very strong reason for firms to move ahead as rapidly as possible with converting their giveup messaging and their electronic trade processing, from TREX to FIXML. We strongly advise firms who may be at risk of exceeding the daily 999,999 number inherent in TREX, to accomplish this conversion on an expedited basis.

### **Maximum ten-digit trade ID size**

CME Clearing currently supports trade ID's up to ten digits in size -- more than ten thousand times the one million per day upper bound that some firms are approaching.

Several years ago, up to one million line items per day seemed a comfortable upper bound. But with surging electronic trading volumes, this is no longer true. We recommend that firms verify that their bookkeeping systems can support clearing trade ID numbers larger than one million -- *ie*, seven or more digits in size.

### **Testing opportunities**

We will shortly publish more information about testing opportunities for this change, and so that firms wishing to do so can verify that their systems can support trade ID's above one million.