

Advisory Notice

Clearing House

TO: Clearing Firms
Back Office Managers

FROM: CME Clearing

DATE: September 29, 2008

ADVISORY #: 08-247

SUBJECT: **CBOT OTC Ethanol products to be moved to Seg on Friday, October 10, 2008**

The CFTC has approved holding customer positions in CBOT OTC ethanol contracts in standard customer-segregated accounts.

This is good news both because (a) it provides stronger customer protections associated with the "segregated" status, and (b) it eliminates certain reconciliation issues firms have with customer positions in non-seg accounts.

The change in status of these positions will be accomplished in the clearing system on **Friday, October 10th**. Here's how it will work. Suppose you are firm 111, and your normal CBOT customer positions are held in a 111B customer position account.

Currently: customer trades done in these products post to a special "111D" house position account.

On Friday, October 10th:

- Special position adjustments will be processed in the clearing system to move the start-of-day positions from the "111D" house position account, to the standard "111B" customer position accounts.
- New customer trades in these products will post to the standard "111B" customer position account going forward.

Affected OTC products are as follows:

- **71** – Forward Month Ethanol Swap, and Cash-Settled Options on these swaps
- **73** – New York Harbor Ethanol Basis Swap
- **74** – Los Angeles Ethanol Basis Swap
- **75** – Gulf Coast Ethanol Basis Swap
- **76** – Cash-Settled Ethanol Options

For more information please contact CME Clearing at 312-207-2525.