

Advisory Notice

Clearing House

TO: Clearing Member Firms
FROM: Clearing House Department
ADVISORY #: 06-245
DATE: October 4, 2006
SUBJECT: **New Screen Supports Fee Reductions for Eurodollar SUBS and EBF Trades**

On **Monday October 23, 2006**, a new screen will be deployed in Front-End Clearing as part of Clearing 360™. This screen, called the "Privately-Negotiated-Trade (PNT) Strip Entry" screen, will allow member firms and customers to obtain fee reductions for strips of Eurodollar and other interest-rate SUB (Substitution of Futures for Forwards) and EBF (Exchange Basis Facility) trades.

For information on these new lower fees, please see CME's Interest Rate Newsletter at:
<http://www.cme.com/trading/prd/ir/eurodollarbulletin.html>

The new screen will allow firms to enter a strip of futures transactions corresponding to an underlying interest-rate swap transaction being transformed (a SUB transaction) into a strip of regulated futures, or for an Exchange Basis Facility transaction. The firm will enter the notional value (in millions), the starting and ending contract months, and the price. Then it will be able to adjust the quantities and prices for each contract month, or remove particular contract months. The entire strip will then be submitted to clearing as a single transaction. The opposite firm will then be able to claim or reject the strip as a single transaction.

In CME's Exchange Fee System, the total fee amount will be determined for the strip of futures, and then divided by the total number of contracts across all legs to determine a per-contract fee. Subsequent fee-system processing will be unaffected. The bottom line is that by using this new screen, firms will be able to obtain substantially lower fees for SUB and EBF transactions.

Once the strip has been claimed, firms on both sides will receive trade confirmation messages, in either TREX or FIXML format, for each leg, which will load to books normally. Note also that after claiming, individual contracts will be treated in clearing as separate legs, and may be given up or average-priced individually.

The new screen will be available in CME's Clearing Certification environment on Tuesday, October 17, 2006. Firms may use this Certification environment for any testing with their bookkeeping systems they wish to do.

For more information and to receive a copy of the user instructions for the new screen, please contact CME Clearing at 312-207-2525.