

Advisory Notice

Clearing House

TO: Clearing Member Firms
Back Office Managers
Service Bureaus

FROM: Clearing House Department

ADVISORY #: 05-134

DATE: July 1, 2005

SUBJECT: Expanded Clearing Product Codes to be launched in September

In September, 2005, CME will introduce its first products with clearing product codes which are longer than two bytes. In particular, we will introduce with products with **three**-byte clearing product codes.

In the immediate term, clearing product codes will be limited to **three** bytes, but in the short to medium-term, they may be expanded to as many as **five** bytes. Over the longer term, as the TREX message format is phased out, product codes may become as large as **ten** bytes.

We expect that this change will have minimal impact to firms, as they already either handle clearing product codes larger than two bytes in bookkeeping systems or they alias actual clearing product codes down to two bytes. In particular, the FIXML-based PCS and Trade Register formats have no pre-determined maximum length for the product code field, TREX messages support up to five-byte product codes, and the SPAN file supports up to ten-byte codes. Small changes are being made to the existing settlement price file format and edit file format to support the larger codes. Here are the details:

FIXML: There will be **no change** in FIXML formats as used for **PCS** and **Trade Register**, and as will be used shortly for average-price messages, give-up API messages, and the FIXML-based API for trade submission and confirmation for block trades, EFP's and SLEDS. The only difference is that the **ID** attribute in the product block, which contains the clearing product code, will now contain values larger than two bytes.

TREX: TREX messages support clearing product codes up to five bytes in length, and accordingly will not change.

SPAN®: The expanded-format SPAN file supports product codes up to ten bytes in length, and accordingly will not change.

Large Trader: The Large Trader position file supports product codes up to five bytes in length, and accordingly will not change.

Settlement Price File: The settlement price file currently supports product codes up to **four** bytes in length, and for options, it supports the specification of underlying product codes also up to four bytes in length.

We will add two ten-byte fields to the end of the record, extending the maximum record length from 80 bytes to 100 bytes. The first ten-byte field is the **expanded product code**, and the second ten-byte field is the **expanded underlying product code**. Fields will be used as follows:

- For all contracts, regardless of the length of the product code, it will be provided in the **expanded product code** field, in bytes 81-90.
- All contracts with product codes up to four bytes in length will also have their product code provided in the original field, in bytes 2-5. This field will be **blank**, however, for products with product codes longer than four bytes.

The exactly analogous change will be made for the "underlying product code" fields. The new expanded underlying product code will contain the clearing product code for the underlying of an option, for **all** option records. The original underlying product code field will be populated in the four bytes from 73-76, but only if this underlying code is four bytes or less in length; it will be blank otherwise.

Firms using this file can choose either to modify their systems so (a) the new "expanded" fields are used in all cases, or (b) to use the original fields except if they are blank (ie, codes larger than four bytes), in which case to use the expanded fields.

Edit File: The edit file format differs from the settlement price file in that the original product code field is only two bytes in length, and there is already a ten-byte expanded-product code field which has been used to provide the full up-to-six byte value for OneChicago security futures. So in this case:

- For existing products with one- or two-byte clearing product codes, these values will continue to be populated in the original product code field, and the expanded product code field will be blank.
- For OneChicago products which have two-byte clearing product codes and a six-byte code used for trading (for example, **MSFT1C** for Microsoft with a clearing product code of **MS**), the two-byte clearing product code will be provided in the original field and the full OneChicago code in the expanded field.
- For new products (other than OneChicago) with clearing codes of three bytes or longer, the original product code will be blank, and the clearing product code will be provided in the expanded field.

To summarize: if the original field is not blank, then it contains the clearing product code, and for OneChicago products only you will find a value in the expanded code field. If the original field **is** blank, then look to the expanded field to read the clearing product code. This principle applies to record types **30** (option products), **40** (option contracts), **50** (futures products), **60** (futures contracts) and **70** (flex options.)

Note that in the near future, we will begin publish the settlement price file and the edit file in an XML format which will not require any such special logic to read.

On the Option Contract record (record type **40**) and Futures Contract record (record type **60**), in addition to providing the expanded product code if it is greater than two bytes in length, **in all cases** we are providing the full "contract period code" in bytes 30-37. For example, for a standard monthly December 2005 contract, the period code would be **20051200**. For a flex option expiring on a specific day, for example December 23, 2005, the contract period code would be **20051223**.

We recommend that firms begin reading the Contract Period Code field rather than the original contract month field. For futures with expirations specific to the day, this is the **only** way to determine the correct expiration.

File layouts: for the updated layouts for the Edit File and the Settlement Price File, please see: www.cme.com/clearing/cm/stan/recolayout1013.html

Sample files: a sample edit file and settlement price file are available at [ftp.cme.com/pub/span/data/cme/test](ftp://ftp.cme.com/pub/span/data/cme/test).

The sample edit file is named **expanded.edit.txt** and contains examples for product codes \$ED1CMEUSD, COOL5, HHX, P1Z, V1N, V65, 1WKBT, 2WKBT, 3BS, 3WKBT, 4BTS, 4WKBT, 5BWEK, 5BYTS. Note the examples of 3, 4, 5 and 10-byte codes.

The sample settlement price file is named **expanded.settle.txt** and contains examples for product codes C1TEST and 1CTEST.

A sample SPAN file will be available shortly, named as **expanded.span.pa2**.

Beginning approximately on Friday July 8th, we should be able to provide complete sets of these three files, containing the same set of products. **Note that although we are providing sample data with product codes longer than three bytes, beginning in September the actual products launched will have codes limited to three bytes.**

Testing: firm testing schedules will be published shortly.