

Advisory Notice

Clearing House

Advisory #: 09-384
To: NYMEX/COMEX Trading Floor Community
From: CME Clearing
Subject: Trade Entry and Allocation Requirements & FEC Common Procedures
Date: September 9, 2009

With the transition from TMS to FEC (Front End Clearing) on **Monday, September 14, for COMEX** products and **Monday, October 5, for NYMEX** products, floor traders, brokers and clerks are reminded of the following requirements and process changes with respect to trade entry and allocation:

1. Members (or their designated representatives) on the sell-side of a trade will be responsible for all trade entry into FEC. This is a new change for NYMEX members. NYMEX will discontinue its Data Entry service on October 5 for futures and October 12 for options.
2. The sell-side entry will automatically create a matched buy-side record in FEC.
3. On September 14 for COMEX and October 5 for NYMEX, a new Rule 536, which articulates trade entry and allocation requirements, will go into effect.
4. Pursuant to Rule 536.A. the seller (or clerk) is required to enter and allocate trades within 30 minutes of trade execution. The buyer (or clerk) is required to update and allocate trades within 60 minutes of trade execution. *The only exceptions are bunched orders and orders eligible for post execution allocation as explained in further detail in Rule 536.C.*
5. On September 21 for COMEX and October 12 for NYMEX, WhenTech Markets® users will be enabled to have all new trades automatically reported to FEC by WhenTech. Any updates, deletions, corrections and allocations will need to be entered manually, both directly into the FEC system and into WhenTech Markets®.
6. Clearing Member firms must affirmatively claim/reject allocations within 60 minutes. Notwithstanding the operational aspect of FEC that requires Clearing Member firms to affirmatively accept broker allocated trades, all firms have been reminded of their obligations to accept all broker allocated trades prior to the final deadline unless proper notification, pursuant to Rule 984 A.1 and A.2., has been made.
7. Like TMS, FEC will have a daily cutoff time by which seller entry will be prohibited. The cutoff time will be 2:45 p.m. (EST) for COMEX products and 3:45 p.m. (EST) for NYMEX products. After the cutoff, trades can still be entered into FEC as a claim by either the buyer or seller but there will be no automatic match. The opposite side must accept the claim for all post cut-off trades to affect a match.

Please be sure to sign-up for FEC training if you or your clerk(s) have not done so already. Contact Client Management Training Services at 312.930.4523, to register for the next available training session.

With respect to FEC usage, members/clerks must ensure they have access to an internet-connected FEC terminal from which trades can be entered and allocated. For further information regarding access to the internet and the FEC/Floor View application, please contact Rob Stasi 212.299.2067, Joe Vanderberg 212.299.2058, or Marcia Beckford 212.299.2072.