



Advisory Notice

Clearing House

10-275

TO: Clearing Member Firms
Back Office Managers

FROM: CME Clearing

SUBJECT: **Credit Default Swaps Now Available on CME ClearPort**

DATE: June 29, 2010

CME Group has added cleared Credit Default Swaps (CDS) to the product offerings that are available for clearing through CME ClearPort services. Firms can benefit from the increased processing efficiencies of ClearPort, whether by interfacing directly via the CME ClearPort API or via a CME-certified trade submission platform provider. Alternatively, firms can enter deals directly into the CME ClearPort user interface.

For CDS, CME ClearPort is highly flexible and matches OTC market capabilities. In particular, users can specify CDS deal terms using any of the following standard methods: price terms (percent of par), spread (in basis points), points upfront ("upfront running"), or simply the total upfront fee (the "initial amount").

In addition to ClearPort's traditional method of submitting post-execution matched deals, ClearPort now offers a robust Single Sided Trade Submission model that provides two new methods for submitting bilateral deals. In the single sided model, either 1) one party alleges the deal, and the counterparty affirms it (the "Allege-Affirm" workflow), or 2) both the buyer and seller submit the deal, and ClearPort automatically matches it (the "Matching" workflow). After a deal is matched, it is sent to CME Clearing for acceptance by each party's clearing firm. Single-sided deal entry provides tight integration with existing market trade-flows and business processes.

Because CME ClearPort now supports cleared CDS contracts, we will be retiring the Trade Booking Facility (TBF) effective no later than December 17, 2010. We encourage all market participants currently using TBF to switch to CME ClearPort at your earliest convenience.

For general questions regarding CME ClearPort, please contact ClearPort Market Operations at (800) 438-8616 or email custcare@cmegroup.com.

For questions regarding the CME ClearPort API, please contact Market Operations Technical Support at (800) 275-6215 or email thirdpartyservices@cmegroup.com.

For questions about clearing Credit Default Swaps at CME Group, contact (312) 207-2525 or email CDSOnboardingTeam@cmegroup.com.