



Advisory Notice

Clearing House

10-400

TO: Clearing Member Firms
Back Office Managers

FROM: CME Clearing

DATE: September 20, 2010

RE: **IMPORTANT Reminder: October 4th, 2010 is date for Cleared OTC Customer Sequestered Regulatory Status**

Reminder – October 4 is date for Cleared OTC Customer Sequestered Regulatory Status

This is a reminder that CME Clearing will roll out support for the new **Cleared OTC Customer Sequestered** regulatory class on **Monday, October 4, 2010**.

The new class will **entirely replace** the use of 30.7 Secured status for customer positions in all products that do not have normal Customer Segregated status as applicable to futures and options, including: (a) credit default swaps, (b) interest-rate swaps, (c) gold and freight forwards, and (d) excess return forwards and swaps.

There are no systems changes in Front-End Clearing or Positions associated with the new regulatory status. (Originally, we advised that there would be a small change to the convention for assigning the position account ID, but that change **will not** be made.) The only impact is to your Settlement and Banking reports: beginning October 4, you will see a new value **COTC** for the Funds Segregation type, replacing the value of **CNSEG** that today means 30.7 Secured.

We have been working with clearing firms to obtain updated information for affected settlement bank accounts. For more information please contact CME Clearing's Financial Unit at 312-207-2594.

Full details on the regulatory and reporting implications of the new regulatory class are available in Audit Information Bulletin 10-09, published on August 17, at:

<http://www.cmegroup.com/tools-information/lookups/advisories/clearing/AIB10-09.html>

For a detailed list of affected products, please see Update #2 to Clearing Advisory #10-256, at: www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv10-256b.pdf