

11-405

To Clearing Member Firms
From: CME Clearing
Subject: **IMPORTANT: ADDITIONAL SPAN FILE AVAILABILITY**
Date: November 7, 2011

On Friday November 4, in light of the issues faced by customers transferring out of MF Global while still maintaining appropriate risk management protections, CME Clearing temporarily set the “initial” margin upcharge at zero. This is a special charge applicable only to speculative accounts. The intention and effect of these changes are to allow for margins calls to first bring accounts in compliance with maintenance margin levels for customers participating in the bulk transfer of MF Global customers to new clearing members.

In the short term, as the issues faced by former MF Global customers are resolved, the initial margin upcharge will be returned to its normal values. Beginning this Friday November 11, the ratio of initial margin to maintenance margin will be partially returned to its original rate and will increase from the current level of 1.00 to 1.10. On Tuesday, November 15, 2011, this ratio will increase to 1.20 and on Thursday, November 17, 2011 it will increase to the original ratio of 1.25 to 1.35 for all futures products.

This will have no effect on the maintenance margin rates that are charged for futures products and that apply as the minimum amount required for all speculative, hedge, and clearing member accounts.

To assist clearing firms wishing to maintain the original value of the initial margin upcharge for speculative customer accounts, effective today Monday November 7, CME Clearing will begin publishing an additional version of its final SPAN risk parameter file. This special version will yield margin requirements with the original initial margin to maintenance margin ratio levels.

The special file is available on <ftp.cmegroup.com> in the **pub/span/data/cme** directory and in the Firm FTP Server in the **pub/span** directory. It can be distinguished from the normal file by an **.im.** in the filename. For example, tonight’s end-of-day special file will be named **cme.im.20111107.s.pa2.zip**.

For more information please CME Clearing Risk Management at 312-648-3888.