

12-225

TO: Clearing Firms
Back Office Managers

FROM: CME Clearing

SUBJECT: Consolidation of National Registries into a New Union Registry for European Emission Contracts Scheduled for June 2012 and Partial Delisting of Contracts During Transition Period

DATE: May 29, 2012

The European Commission has announced the full activation of the EU Emissions Trading Scheme single registry and migration of thousands of EU ETS accounts from national registries into the new Union Registry. The Union Registry transition period is scheduled for June 3, 2012 through June 20, 2012. During this time, the operation of national registries and the Union Registry will be suspended and account holders will not be able to access registry accounts - including allowances held in these accounts; transfers will not be allowed through the registry(ies). Consequently, deliveries of certain Green Exchange LLC (GreenX) products will be affected during the Union Registry transition period. As a result, effective immediately, GreenX is delisting certain contract days and contract months in accordance with the table below.

Contract	Globex Code	ClearPort Code	Delisted Contracts
Daily European Union Allowance (EUA) Futures	EUL	EUL	Contract day May 31, 2012 through contract day June 20, 2012
In Delivery Month (IDM) EUA Futures	EAF	6T	Contract month June 2012
IDM Certified Emission Reduction (CER) Futures	CRE	6S	Contract month June 2012
IDM EUA Options	EAX	6U	Contract month June 2012
IDM CER Options	CRY	6P	Contract month June 2012
Emission Reduction Unit (ERU) Futures	REU	REU	Contract month June 2012
ERU Options	ERO	ERO	Contract month June 2012

With the creation of the Union Registry, new security features and process requirements will be implemented. Account holders will have to comply with increased documentation requirements and security features to access the transferred accounts in the single Union Registry. Account holders will not be able to transfer any allowances until all necessary documentation requirements are completed. The upcoming changes are summarized below. For detailed information on the new features and requirements, please refer to the European Commission advisory at the link below.

http://ec.europa.eu/clima/news/articles/news_2012050301_en.htm

- Introduction of a two-step process to complete a transfer of allowances or offsets. A registered authorized representative (AR) will initiate a transfer, and a NEW designated additional authorized representative (AAR) will authorize the transaction.
- All participants must appoint at least one AAR.
- Each AR and AAR will need to pre-register a mobile device to receive an SMS text message challenge. The challenge will need to be addressed within 10 minutes of receipt of the message. This process is required when a transaction is initiated and approved.
- Every transaction that is approved by an AAR will be completed by the Union Registry within 26 hours from the time of the AAR approval. Note that the 26-hour delay will not apply to new account types (Trading Accounts) and transfers from/to these accounts if they are included in a list of "trusted accounts". The 26-hour transaction processing time of allowances and units through the

Union Registry will extend the delivery timeframe. CME Clearing will work with clearing member firms through the new process to ensure delivery. This functionality will become available later this year. We will provide further information once it becomes available.

Clearing member firms are reminded of their responsibility to assure their ability to fulfill contract obligations according to CME Group rules.

If there are any questions, please contact:

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