

TO: Clearing Member Firms; Back Office Managers
FROM: CME Clearing
DATE: September 21, 2012
ADVISORY #: 12-405
SUBJECT: **Directory Change for CME SPAN Files for Modified-Split Allocation**

Please be advised of the following directory changes for CME SPAN files.

On CME Group's Internet FTP site the location, <ftp.cmegroup.com/pub/span/data/cme> contains CME's SPAN files for customer margining which **do not** use the modified-split allocation method for margining certain options on spreads.

There is a separate directory, <ftp.cmegroup.com/pub/span/data/cme/mod>, which contains the SPAN files which **do** make use of the modified-split allocation method.

Effective this **Monday, September 24**, we are adding a new directory located at, <ftp.cmegroup.com/pub/span/data/cme/nomod>, which will also contain the SPAN files without the modified-split allocation feature.

Beginning the following **Monday, October 1**, we will change the primary directory, <ftp.cmegroup.com/pub/span/data/cme>, so that it contains SPAN files **with** the modified-split allocation feature.

Beginning on the next following Monday – **Monday October 8** – we will cease publishing SPAN files to the **mod** directory.

The effect of these changes is as follows:

- If you are calculating customer margins **without** using modified-split allocation, then switch to the new <ftp.cmegroup.com/pub/span/data/cme/nomod> directory by **no later than Monday October 1**.
- If you are calculating customer margins **with** modified split allocation, then switch to the primary directory <ftp.cmegroup.com/pub/span/data/cme> on any day during the week beginning Monday October 1, and in any event by **no later than the following Monday October 8**.

On the Firm FTP Server, everything will work in a similar manner, except:

- The primary SPAN file directory is **pub/span**
- The new directory for the SPAN files without modified-split allocation is **pub/span/nomod**
- The special temporary directory for the SPAN files with modified-split allocation is **pub/span/mod**.

For more information about the modified-split allocation feature of SPAN and the margin efficiencies it provides, please see Clearing Advisory 12-259, published June 22, 2012, at: <http://www.cmegroup.com/tools-information/lookups/advisories/clearing/Chadv12-259.html>

For questions, please contact CME Clearing at 312-207-2525.