

 **CME Group** | Advisory Notice

12-422

TO: Clearing Member Firms; Back Office Managers  
FROM: CME Clearing  
SUBJECT: CME CDS – CME CDS Limits Loader & Limits Update Procedures  
DATE: Monday, October 01, 2012

As outlined in the attached CME ClearPort advisory notice (see CDSinRAVManager 20120927.pdf), CME Group will be enhancing CME Account Manager (RAV Manager) to allow Clearing Member Firms to establish credit limits for accounts permissioned to trade credit default swap (CDS) products. The purpose of this advisory is to communicate additional information regarding how this impacts the account setup process in both New Release (UAT) and Production (live).

**In Production**, CME Clearing Members have the ability to view and edit RAV Limits within the Account Manager (RAV Manager) application. In the case that Clearing Members wish to update accounts in bulk (50 or more accounts), they may use the attached CME CDS Limits Loader spreadsheet (see CME CDS Limits Loader.xls). This CME CDS Limits Loader will allow Clearing Members to update existing accounts from Clearing Member Explicit Claim to CME Hosted (or vice-versa), add limit measures to new accounts and update existing limit measures.

Please note that CME Group currently supports the bulk upload of new accounts into Account Manager when there are 50 or more accounts. For any future bulk uploads, please be advised that the default CDS Risk Method for any accounts created through the bulk upload process will be **Clearing Member Explicit Claim**. Clearing Members can then update this value and add limit measures either by updating the account in Account Manager or by submitting the CME CDS Limits Loader spreadsheet (in the case that 50 or more updates are required).

**In New Release** (UAT), given that CME Clearing Members do not have the ability to view and edit RAV Limits within the Account Manager (RAV Manager) application, if CME Clearing Members wish to establish new accounts with CME Hosted limits or update existing accounts to CME Hosted Limits, Clearing Members must submit the CME CDS Limits Loader spreadsheet. If the Clearing Member **does not** submit the CME CDS Limits Loader spreadsheet, the default setting for the account will be **Clearing Member Explicit Claim**, meaning that

RAV Limits will not apply and that the Clearing Member will be required to explicitly accept or reject CDS trades in FEC+. Clearing Members may update new release accounts from Clearing Member Explicit Claim to CME Hosted (or vice-versa) at any time.

As a reminder, effective September 30<sup>th</sup>, CME Group will set all existing RAV **production** accounts to a CDS Risk Method setting of **Clearing Member Explicit Claim**. Clearing Members will have until October 15<sup>th</sup> to make any necessary updates to RAV accounts (adjusting accounts to CME Hosted limits, etc.) before the new limit methods are effective. Starting September 30<sup>th</sup> and ending October 14<sup>th</sup>, any limit adjustments that Clearing Members make will not take effect until October 15<sup>th</sup>. This means that if you switch an existing account from a CDS Risk method of **Clearing Member Explicit Claim** to a CDS Risk Method of **CME Hosted** and create a RAV Limit on the account (between September 30<sup>th</sup> and October 14<sup>th</sup>), that CME Hosted Limit will not take effect until October 15<sup>th</sup>.

In New Release, all existing accounts are currently set to a CDS Risk Method setting of **Clearing Member Explicit Claim**. Limit methods will be effective in New Release starting after the New Release maintenance window on **Wednesday, October 3<sup>rd</sup>**.

To help simply the outline of the dates, please see the table below –

	<b>NR (UAT) Go-LIVE Date</b>	<b>Prod Go-LIVE Date</b>
<b>CDS Risk Method &amp; Limits Available in Account Manager (RAV Manager) for Clearing Members to Edit</b>	<i>LIVE</i>	<i>September 30<sup>th</sup>, 2012</i>
<b>CDS Risk Method &amp; CDS Limits Effective</b>	<i>October 3rd, 2012</i>	<i>October 15th, 2012</i>

If you have any questions regarding the limits loader spreadsheet or the update to CME Account Manager, please contact the CME Client Services Team by email at [onboarding@cmegroup.com](mailto:onboarding@cmegroup.com) or by telephone at 312-338-7112.