

12- 466

DATE: November 1, 2012
TO: Clearing Member Firms
FROM: CME Clearing
SUBJECT: **IMPORTANT: New dates for Customer Gross Margining and LSOC**

The CFTC has granted the industry a brief delay in the required implementation dates for Customer Gross Margining (CGM) and for LSOC (Legally Segregated Operationally Commingled).

The new implementation date for Customer Gross Margining is **Monday, January 14, 2013**. The delay was granted to provide firms with more time to implement their CGM processes and to assess the impact on margin requirements.

Although the go-live date has been pushed out, firms must continue to submit live CGM position data files to CME Clearing every night, by the 8pm Chicago time deadline. CME's CGM system is now running in full parallel mode.

The new implementation date for LSOC is **Wednesday, November 14, 2012**. The very brief LSOC delay was granted in response to the hurricane disruption.

CME will first apply the special LSOC "top-up" margin requirements in the end-of-day settlement cycle on Tuesday, November 13. As soon as the resulting margin calls are met at the settlement banks on the morning of Wednesday, November 14, firms may withdraw excess collateral. The first LSOC compliance calculation done by firms will be for the payment cycle on the morning of November 14.

Note that LSOC applies only to customer positions in cleared swaps. For more information please see CME's LSOC web page at www.cmegroup.com/lsoc.

For more information please contact CME Clearing at 312-207-2525.