

TO: Clearing Member Firms  
FROM: CME Clearing  
DATE: November 5, 2012  
ADVISORY #: 12-471  
SUBJECT: **OTC Holiday Advisory – Veterans Day**

Please be advised that CME Clearing will be observing the Veterans Day holiday on Monday, November 12th.

For specific information on how this will impact CME Clearing's processing and trade submission timelines, please refer to the information below.

**Trade Submission and Variation Margin Settlement -**

For USD and CAD-denominated swaps submitted for clearing on Monday, November 12th, 2012, the first available clear date will be Tuesday, November 13th, 2012. This means that for any USD and CAD denominated swaps submitted on Monday, November 12th, 2012, the clear date will be Tuesday, November 13th, 2012 and both the variation margin and upfront fees for these trades will settle on Wednesday, November 14th, 2012.

For trades in all other currencies (EUR, GBP, CHF, AUD, JPY) submitted on Monday, November 12th, 2012, CME Clearing will process these trades business as usual.

***Please note that on Monday, November 12<sup>th</sup>, CME Clearing will settle non-USD Variation Margin. This will be the first time that non-USD settlements occur on a USNY holiday. Variation Margin will settle on Monday for the following currencies: AUD; CHF; EUR; GBP and JPY. For more information on this change, you may reference the advisory notice located at <http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv12-421.pdf>***

**Price Alignment Interest -**

For price alignment interest (PAI) processing on both interest rate swaps & credit default swaps:

- At close of business on Friday, November 9th – On USD and CAD-denominated swaps, CME Clearing will calculate four days of PAI (Friday, Saturday, Sunday, and Monday).
- On swaps denominated in all other currencies (EUR, GBP, CHF, JPY, AUD), CME Clearing will calculate three days of price alignment interest (Friday, Saturday, Sunday).

## **Initial Margin Calculations -**

### *Interest Rate Swaps -*

For initial margin purposes, please note that on any holiday in one currency that is not holiday for all other clearable currency (meaning that the holiday is not shared among all clearable currencies), CME Clearing will re-margin existing IRS trades in all currencies. For example, on Monday, November 12th, even though it is a USD and CAD holiday, CME Clearing will re-margin trades denominated in those currencies, which may lead to slight changes in the initial margin requirement from close of business Friday, November 9th to Monday, November 12th, 2012.

### *Credit Default Swaps –*

Please note that the initial margin requirement at end of day Monday, November 12<sup>th</sup> will be identical to the end of day initial margin requirement on Friday, November 9<sup>th</sup>.

## **CDS Price Submission -**

For Monday, November 12<sup>th</sup>, CME Clearing will not require CDS price submission on Monday, November 12th, 2012.

Please note that Friday, November 9<sup>th</sup> will be a normal price submission day.

If you have questions, please contact the CME Client Services Team at [onboarding@cmegroup.com](mailto:onboarding@cmegroup.com).

Regards,  
CME Clearing