


**CME Group** | Advisory Notice

12-548

**To:** Clearing Member Firms; Back Office Managers  
**From:** CME Clearing  
**Date:** December 13<sup>th</sup>, 2012

**Subject: OTC Holiday Advisory – Christmas and New Year’s Day**

Please be advised that CME Clearing will be observing the Christmas holiday on Tuesday, December 25<sup>th</sup>, 2012 and New Year’s Day holiday on Tuesday, January 1<sup>st</sup> 2013.

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:**

Please refer to the table below for information relating to trade submission and currency settlement dates for CDS and IRS:

Trade Date	Currency	Clear Date	Upfront Fee Settlement Date
<b>Tuesday, December 25th</b>	USD	Wednesday, December 26 <sup>th</sup>	Thursday, December 27 <sup>th</sup>
	CAD, EUR, GBP	Thursday, December 27 <sup>th</sup>	Friday, December 28 <sup>th</sup>
	AUD, CHF	Thursday, December 27 <sup>th</sup>	Monday, December 31 <sup>st</sup>
	JPY	Tuesday, December 25 <sup>th</sup>	Thursday, December 27 <sup>th</sup>

Trade Date	Currency	Clear Date	Upfront Fee Settlement Date
<b>Tuesday, January 1st</b>	USD,CAD,EUR,GBP	Wednesday, January 2nd	Thursday, January 3rd
	AUD, CHF	Wednesday, January 2nd	Friday, January 4th
	JPY	Friday, January 4th	Tuesday, January 8th

For example, for CAD, EUR and GBP swaps submitted for clearing on Tuesday, December 25<sup>th</sup>, 2012, the first available clear date will be Thursday, December 27<sup>th</sup>, 2012. This means that the variation margin and upfront fees for these trades will settle on Friday, December 28<sup>th</sup>, 2012.

**Price Alignment Interest:**

The table below provides information related to PAI calculation for both the Christmas and New Year's Day holidays.

Close of Business Date	Currency	Number of Days for PAI
Friday, December 21 <sup>st</sup> , 2012	JPY	4
Monday, December 24 <sup>th</sup> , 2012	USD	2
	EUR, CAD, AUD, CHF, GBP	3

Close of Business Date	Currency	Number of Days for PAI
Friday, December 28 <sup>th</sup> , 2012	JPY	7
Monday, December 31 <sup>st</sup> , 2012	USD,CAD,EUR,CHF,AUD,GBP	2

For example, at close of business on Monday, December 31<sup>st</sup> - On USD, CAD, EUR, CHF, AUD and GBP denominated swaps, CME Clearing will calculate two days of PAI (Monday and Tuesday).

**Initial Margin Calculations:***Interest Rate Swaps – Christmas Holiday and New Year's Holiday*

For initial margin purposes, at end of day Tuesday, December 25<sup>th</sup>, CME Clearing will re-margin all IRS trades in all currencies, thus there may be changes in the margin requirements at end of day Tuesday, December 25<sup>th</sup>.

At end of day Tuesday, January 1<sup>st</sup>, however, CME Clearing will not re-margin IRS trades, thus there will be no change in initial margin from Monday, December 31<sup>st</sup> to Tuesday, January 1<sup>st</sup>.

*Credit Default Swaps*

Please note CME Clearing will not re-margin CDS trades on either date.

**EOD Reporting:**

Please refer to the table below for CME Clearing's plans to produce end of day reporting in both the New Release and Production environments for both the Christmas and New Year's Day holiday.

Date	Product	Environment	EOD Reports Produced?
Tuesday, December 25 <sup>th</sup> , 2012	CDS	Production	Yes
	CDS	New Release (UAT)	No
	IRS	Production	Yes
	IRS	New Release (UAT)	No
Tuesday, January 1 <sup>st</sup> , 2012	CDS	Production	No
	CDS	New Release (UAT)	No
	IRS	Production	No
	IRS	New Release (UAT)	No

**CDS Price Submission:**

<b>Date</b>	<b>CDS Price Submission Schedule</b>
<b>December 24<sup>th</sup> &amp; December 31<sup>st</sup></b>	Early Price Submission – Price Submissions due at 2:35 p.m. ET
<b>December 25<sup>th</sup> and January 1<sup>st</sup></b>	No price submission required.

On Monday, December 24<sup>th</sup>, 2012 and December 31<sup>st</sup>, 2012 CME Clearing will be following the schedule outlined below -

- **Publication of early CDS settlement price file:** 12:30 p.m. ET (11:30 a.m. CT)
- **Publication of Preliminary Dealer Feedback Files:** 1:05pm ET (12:05pm CT), 1:35pm ET (12:35pm CT), 2:05pm ET (1:05pm CT)
- **Dealer Price Submission Deadline:** 2:35 p.m. ET (1:35 p.m. CT)
- **Publication of Final PQA Dealer Feedback Files:** 2:45 p.m. ET (1:45 p.m. CT)
- **Publication of final CDS settlement price file:** 3:30 p.m. ET (2:30 p.m. CT)

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

Regards,  
CME Clearing