

13-027

TO: CME and KCBOT Clearing Member Firms  
FROM: CME Clearing  
DATE: January 18, 2013  
SUBJECT: **IMPORTANT: Guaranty Fund Integration for KCBOT and CME**

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On November 30, 2012, CME Group acquired the Kansas City Board of Trade and the KCBOT Clearing Corporation. For more information please see:  
<http://cmegroup.mediaroom.com/index.php?s=43&item=3347>

CME plans to combine the guaranty funds for KCBOT and CME on **Friday, February 1, 2013**. This will continue the capital and operational efficiencies from the clearing integration. With this combination of guaranty funds, KCBOT products will be included with CME Group products into the Base Guaranty Fund, which includes all other futures and options on futures contracts.

CME will utilize its guaranty fund allocation methodology on KCBOT products of 95% based on margin and 5% based on executed volume for the February 1 calculation and for all calculations going forward.

On **Friday, February 1, 2013**, KCBOT Clearing Corporation will release the collateral for guaranty funds back to the affected clearing firms and CME will perform a routine guaranty fund calculation for all CME clearing firms that includes KCBOT products and will inform each clearing firm that day of their updated requirement. These funds will be calculated and collected as per normal under CME Rule 816 'Guaranty Fund Deposit.'

For more information, please contact the CME Risk Management Department at 312-648-3888.