

13-122

TO: CME and CBT Clearing Member Firms
FROM: CME Clearing
DATE: March 13, 2013

SUBJECT: **KCBOT Clearing Eligibility Process for CME/CBOT Members**

Please be reminded that on **Monday April 15, 2013**, and pending regulatory approval, clearing processing for the Kansas City Board of Trade will be transitioned to CME Clearing. Also effective on that date, **all CME and CBOT clearing member firms will become eligible to clear KCBOT products.** There will be no additional capital, membership, or permit application requirements.

If you are a current clearing firm at KCBOT, nothing changes for you on this transition date, other than the change to process the products through the CME clearing system rather than the KCBOT clearing system. You will continue to clear KCBOT products as you currently do.

If you are a CME or CBOT clearing member but not a KCBOT clearing member, and you do not wish to clear directly, then likewise you do not have to do anything different on April 15. You may continue to clear trades in KCBOT products through an omnibus relationship, exactly as you currently do. If you are a NYMEX-only or COMEX-only clearing firm, and trade KCBOT products, you must continue to clear that business on the books of a current KCBOT clearing firm.

If you are currently a CME or CBOT clearing firm but are not currently a KCBOT clearing firm, you may elect to begin direct clearing of KCBOT products, on or after April 15.

The ability to begin directly clearing KCBOT products on April 15, however, is not automatic. CME Clearing must ensure that each new firm is appropriately configured. Accordingly, any firm intending to begin direct clearing of KCBOT products on its books must contact CME Clearing at ccs@cmegroup.com, to state such intention and to answer the following questions:

1. Do you intend to directly clear KCBOT products; and if yes, on what date?
2. Do you intend to submit a transfer of customer positions which reside in an omnibus account on the books of a current KCBOT clearing member firm; and if yes, on what date?
3. Do you plan to create a new position/affiliate account or an API/sub-account for the purposes of clearing KCBOT products?
4. Please name your key contact/project manager(s) for the KCBOT transition process along with their contact info.

Please contact us by March 22 if you wish to begin direct clearing on April 15. CME Clearing will then reach out to your designated contact person(s).

There will be some additional administrative requirements for those firms intending to trade and directly clear KCBOT products via CME Globex. Please contact your firm's designated Global Account Manager (GAM) to ensure that the clearing relationships for all Globex Execution Firms are correctly defined. If you wish to begin directly clearing KCBOT on April 15, then please contact your GAM by no later than March 22 to complete any required Globex to Clearing mapping change requests. Global Account Management can be reached at 312-634-8700 or globalaccountmanagement@cmegroup.com.

For additional information on this transition, please refer to Clearing Advisory 13-105 at: <http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv13-105.pdf>
For more information please contact CME Client Services at ccs@cmegroup.com or 312-207-2525.