

TO: Clearing Member Firms; Back Office Managers  
FROM: CME Clearing  
ADVISORY #: 13-179  
SUBJECT: Kansas City Board of Trade (KCB) Delivery Integration Plan

Beginning with the **July 2013 Hard Red Winter Wheat (KW) contract**, the HRW Wheat delivery process will be fully integrated into Deliveries Plus. The functionality will allow clearing firms to manage the delivery process through the user interfaces. The functionality will include the following:

- Wheat registration
- Long date reporting
- Intent Submission
- Assignment Processing
- Reports
- Invoicing

As part of the integration, paper wheat receipts will be converted into electronic receipts through E-Grain. **Any firm anticipating delivery in the July 2013 contract month must convert the paper receipts to electronic.** Beginning June 1, 2013, clearing firms holding paper receipts can submit original receipts to the Kansas City Board of Trade Office located at 4800 Main Street, Suite 303, Kansas City, MO 64112 for conversion. The paper receipts will be cancelled and a new electronic receipt will be provided. A separate notification from Market Regulation will be sent in the coming weeks with further information on the electronic conversion process.

In addition, firms submitting long dates via the long date file will be able to submit KCB Hard Red Winter Wheat long dates under exchange CBT on the file. The file will be processed and long dates will be stored under the KCB product exchange.

Storage for HRW Wheat receipts will be managed between clearing firms and clearing agents of facilities. However, clearing firms may manage the storage paid through date of inventory in Deliveries Plus. Storage for HRW receipts must be current up to the first calendar day of each contract delivery month. For the July 2013 contracts, the storage must be paid through June 30, 2013.

The new functionality will be made available in the New Release environment for testing purposes prior the July 2013 delivery month. A separate notification will be sent with details.

For the **May 2013 delivery cycle**, a special delivery process will be in place in coordination with KCB. The following is the process and timelines:

### **Registration Process**

To register Hard Red Winter Wheat receipts for delivery of KCB wheat contracts, please submit receipts to the KCBT office for registration. Please contact Joe Ott at 816.753.7500, Chuck Savage or Aaron Howard at 816.931.8964 with any questions.

### **Long Dates**

Beginning April 26, 2013 firms must send long dates to [KCBTDeliveries@cmegroup.com](mailto:KCBTDeliveries@cmegroup.com) by 8:00 pm on a daily basis via an excel file. Firms may use this file to update their long dates on a daily basis and resubmit to CME with changes. Please send an email [KCBTDeliveries@cmegroup.com](mailto:KCBTDeliveries@cmegroup.com) for a copy of the long date submission file template.

### **Intents**

Clearing firms intending to make delivery should send intent requests to [KCBTDeliveries@cmegroup.com](mailto:KCBTDeliveries@cmegroup.com) by 4:00 pm every valid intent day. Intentions submitted for delivery will be processed the morning of the next business day.

Please send an email to [KCBTDeliveries@cmegroup.com](mailto:KCBTDeliveries@cmegroup.com) for a copy of the intent form.

### **Assignment**

Intentions are assigned and firm notification reports are made available around 8:30 am the business day following intent submission. Once assignment is complete, delivery notices will be made available on cmegroup.com (<http://www.cmegroup.com/clearing/deliveries/>) and kcbt.com ([http://kcbt.com/wheat\\_deliveries.asp](http://kcbt.com/wheat_deliveries.asp))

### **Invoicing**

Clearing firms will be emailed invoices on the day of assignment by 10:00 am. Beginning May 1, 2013, clearing firm pay/collect amounts will be facilitated through the clearing firm's variation accounts.

### **Storage**

Per **KCB Rule 1207.00 Storage Allowance and Other Allowances**, Storage for HRW receipts must be current up to the first calendar day of each contract delivery month. Payment for storage should be submitted to the KCB Exchange Secretary for processing to the appropriate warehouse agent.

### **May 2013 HRW Wheat**

<b>First Position</b>	<b>First Intent</b>	<b>First Notice/Invoice</b>	<b>First Delivery</b>	<b>Last Trade</b>	<b>Last Intent</b>	<b>Last Notice/Invoice</b>	<b>Last Delivery</b>
8:00 pm	4:00 pm	10:00 am	11:00 am	1:15 pm	4:00 pm	2:00 pm	7:30 am
April 26	April 29	April 30	May 1	May 14	May 29	May 30	May 31

If there are any questions, please contact Deliveries 312.930.3172, Chuck Savage or Aaron Howard at 816.931.8964, Joe Ott at 816.753.7500 or email [KCBTDeliveries@cmegroup.com](mailto:KCBTDeliveries@cmegroup.com).