

14-075

TO: Clearing Member Firms  
Back Office Managers

FROM: CME Group Clearing

DATE: February 28, 2014

SUBJECT: **Updated Advisory:** FEC Corrections for PIT/XPIT Transactions / Exchange Fees

As you are aware, a void or correction is allowed to occur up to four business days after the original trade has cleared through Front-End Clearing (FEC). Currently, with respect to PIT/XPIT transactions, when correction functionality is leveraged through FEC, there are no offsets of Exchange Fees applied within the Exchange Fee System (EFS). Instead a Clearing Member Firm must submit a manual rebate request, to CME Group's fee administration staff.

Effective **February 28, 2014**, the Exchange Fee System will systematically offset the Exchange Fees incurred on PIT/XPIT transactions for all product exchanges (CME, CBOT, and NYMEX/COMEX) when the following FEC correction functionality is leveraged.

1. Insert the correct search Criteria and click "search" in order to show the desired trade(s).
2. Check the box of the desired trades(s).
3. Once the trade(s) is selected, click "Transfer" to create one side of the transfer.



4. The trade(s) will be in a pending status (PT) and a transfer trade will automatically be created in unmatched status with a transfer reason code of "E".
5. When the opposite side's transfer is entered and the transfer is matched, the pit trade status will change to (T) for "Transferred".

**PLEASE NOTE:** EFS will reverse all fees charged, except for **Transfer Fees**, of which will still be applied for these PIT transactions. In addition, if the functionality above is not leveraged, rebate requests for corrections will no longer be granted. The fee team will have a 3-month grace period (March 2014 through May 2014) to ensure firms submit transfers using the above process.

For further questions or information of FEC functionality please contact CME Clearing at 312-207-2525 or email [CCS@cmegroup.com](mailto:CCS@cmegroup.com) . For further questions regarding Exchange Fees charged, Please contact the Fee Hotline at 312-648-5470 or [EFSAdmin@cmegroup.com](mailto:EFSAdmin@cmegroup.com) .