



## Advisory Notice

Clearing House

---

14-313

TO: Clearing Member Firms  
Back Office Managers  
Delivery Personnel

FROM: CME Clearing

SUBJECT: **Mandatory CLS Test**

DATE: August 8, 2014

In June, CME Clearing required all open positions post expiration in the CAD/USD (CD) and micro CAD/USD (MCD) futures contract to be delivered through the paired delivery process. Beginning with the September 2014 FX delivery cycle, **all CLS eligible currency pairs** will migrate to the paired delivery process. The paired delivery process is an assignment based process between clearing firms. Clearing firms with open long and short positions at the end of trading on last trade date will be matched against one another. The assigned clearing members will then facilitate the delivery utilizing the commitment information entered in Deliveries Plus. Similar to other assignment based processes in other futures products, clearing firms will be provided with buy/sell notification and invoice report detailing the assignment. In addition, clearing firms will be provided with a CSV instruction file in the clearing firm's FTP folder that can be used for automating the CLS payment instruction creation process.

In preparation of the September 2014 FX Delivery cycle, a mandatory test cycle is required for all clearing members that intend to complete delivery via CLS. The test cycle will commence on Monday, August 25, 2014 for settlement on Wednesday, August 27, 2014. Upon completion of the test, clearing firms are required to report to CME Clearing the results of the test cycle. As part of the test cycle, a CSV file will be circulated to clearing members required to participate in the test with instruction and counterparty information. Clearing members that fail to match within CLS against any assigned counter party will not be allowed to participate in the CLS delivery method in the September delivery cycle.

If any CLS participant settlement instructions have been revised or altered in anyway, please send details to Deliveries at [Clearinghousedelivteam@cmegroup.com](mailto:Clearinghousedelivteam@cmegroup.com) by Thursday, August 14, 2014.

If there are any further questions or concerns, please do not hesitate to contact Deliveries at 312.930.3172.