


CME Group | Advisory Notice

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 14-482

SUBJECT: **OTC Holiday Advisory – Christmas and New Year’s Day**

DATE: December 15, 2014

CME Clearing will be open for clearing of all cleared OTC financial products on Christmas Day, Thursday, December 25th, 2014.

Please note that for all currencies, except Japanese Yen, CME Clearing will follow normal holiday processing procedures. Thus, trades will still clear real time, but will clear for the next clearing business day. For JPY-denominated trades, since Thursday, December 25th is a normal business day for Japanese Yen, CME Clearing will report and clear all JPY-denominated trades as per normal business day.

On New Year’s Day, Thursday, January 1st CME Clearing will be closed and thus no clearing cycle will be processed for cleared OTC financial products.

For specific information on how this will impact CME Clearing’s processing and trade submission timelines, please refer to the information below.

Trade Submission/ Variation Margin Settlement/Price Alignment Interest:

Please refer to the table below for information relating to trade submission and currency settlement dates for IRS, and PAI calculations:

| Christmas Holiday | | | | | | |
|-------------------|-----------------------------------|---------------------|--------------------------------------|-----------------------------|------------------------|------|
| Currencies | | Bank Holiday | For trades submitted on Bank Holiday | | PAI | |
| | | | Clear Date | Upfront Fee Settlement Date | Close Of Business Date | Days |
| T+1 Currencies | CAD, EUR, GBP | 12/25, 12/26 | 12/29 | 12/30 | 12/24 | 5 |
| | USD, MXN | 12/25 | 12/26 | 12/29 | 12/24 | 2 |
| T+2 Currencies | AUD, CHF, HKD, NZD, NZD, PLN, ZAR | 12/25, 12/26 | 12/29 | 12/31 | 12/24 | 5 |
| | CZK, DKK, HUF, NOK, SEK | 12/24, 12/25, 12/26 | 12/29 | 12/31 | 12/23 | 6 |
| | JPY | 12/23 | 12/24 | 12/29* | 12/22 | 2 |
| | SGD | 12/25 | 12/26 | 12/30 | 12/24 | 2 |

| New Year's Holiday | | | | | | |
|--------------------|-----------------------------------|-----------------|--------------------------------------|-----------------------------|------------------------|------|
| Currencies | | Bank Holiday | For trades submitted on Bank Holiday | | PAI | |
| | | | Clear Date | Upfront Fee Settlement Date | Close Of Business Date | Days |
| T+1 Currencies | CAD, EUR, GBP, MXN, USD | 1/1 | 1/2 | 1/5 | 12/31 | 2 |
| T+2 Currencies | AUD, CZK, HKD, NOK, PLN, SGD, ZAR | 1/1 | 1/2 | 1/6 | 12/31 | 2 |
| | CHF, HUF, NZD | 1/1, 1/2 | 1/5 | 1/7 | 12/31 | 5 |
| | DKK, SEK | 12/31, 1/1 | 1/2 | 1/6 | 12/30 | 3 |
| | JPY | 12/31, 1/1, 1/2 | 1/5 | 1/7 | 12/30 | 6 |

For example, for CAD, EUR and GBP swaps submitted for clearing on Thursday, December 25th, 2014, will clear on December 25th, 2014 but the cleared date will be Monday, December 29th, 2014 as Friday, December 26th, is also a for these currencies. This means that the variation margin and upfront fees for these trades will settle on Tuesday, December 30th, 2014.

Swaps submitted for clearing on Thursday, January 1st, 2015 will clear on January 1st, 2015, but the cleared date will be the next valid business day in that currency.

OTC FX holiday information will be sourced from COPP CLARK.

***Special Case for JPY settlement on Monday, December 29th:**

As the settlement banks are closed on Christmas day, the value date for all JPY-denominated variation amounts in the end-of-day clearing cycle on Wednesday, December 24th, will be Monday, December 29th (to allow banks in the US and Europe to confirm settlements on Friday December 26th).

| Payment Calculation Date | Currency | Adjusted Settlement Date |
|--------------------------------------|----------|-----------------------------------|
| Wednesday, December 24 th | JPY | Monday, December 29 th |

Initial Margin Calculations:

| Close of Business Date | Product | Currencies | Will CME generate new IM requirements? |
|--|---------|--------------------|--|
| Thursday, December 25 th , 2014 | IRS | All Currency Pairs | Yes |
| | CDS | USD | No |
| | OTC FX | All Currency Pairs | No |

| Close of Business Date | Product | Currencies | Will CME generate new IM requirements? |
|--|---------|--------------------|--|
| Thursday, January 1 st , 2015 | IRS | All Currency Pairs | No |
| | CDS | USD | No |
| | OTC FX | All Currency Pairs | No |

EOD Reporting:

Please refer to the table below for CME Clearing's plans to produce end of day reporting in both the New Release and Production environments for both the Christmas and New Year's Day holiday.

| Date | Asset Class | Environment | EOD Reports Produced? |
|--|-------------|-------------------|-----------------------|
| Thursday, December 25 th , 2014 | CDS | Production | Yes |
| | CDS | New Release (UAT) | Yes |
| | IRS | Production | Yes |
| | IRS | New Release (UAT) | Yes |
| | OTC FX | Production | Yes |
| | OTC FX | New Release (UAT) | Yes |
| Thursday, January 1 st , 2015 | CDS | Production | No |
| | CDS | New Release (UAT) | No |
| | IRS | Production | No |
| | IRS | New Release (UAT) | No |
| | OTC FX | Production | No |
| | OTC FX | New Release (UAT) | No |

CDS Price Submission:

| Product | Early Close | No Price Submission |
|----------------|---|--|
| USD | Wednesday, December 24 th , 2014 | Thursday, December 25 th , 2014 |
| | Wednesday, December 31 st , 2014 | Thursday, January 1 st , 2015 |
| EUR | Not Applicable | Not Applicable |

On Wednesday, December 24th, 2014 and Wednesday, December 31st, 2014 CME Clearing will be following the schedule outlined below –

- **Publication of early CDS settlement price file:** 12:30 p.m. ET (11:30 a.m. CT)
- **Publication of Preliminary Dealer Feedback Files:** 2:05pm ET (1:05pm CT)
- **Dealer Price Submission Deadline:** 2:35 p.m. ET (1:35 p.m. CT)
- **Publication of Final PQA Dealer Feedback Files:** 2:45 p.m. ET (1:45 p.m. CT)

If you have questions, please contact the CME Client Services Team at onboarding_clearing@cmegroup.com.

Regards,
CME Clearing