

TO: Clearing Member Firms

FROM: CME Clearing

DATE: February 26, 2016

ADVISORY #: 16-094

SUBJECT: **Intraday PCS submissions no longer required**

Effective immediately, clearing firms are no longer required to submit PCS (Position Change Specification) datafiles prior to the intraday settlement cycle, for use in that intraday settlement cycle.

For the end of day settlement cycle, both PCS and CGM (Customer Gross Margining) submissions are critical, in order to determine open interest and for the determination of performance bond (initial margin) requirements for the customer origin. But for the intraday cycle, the PCS submissions no longer serve any purpose and may be discontinued.

There is no harm if firms do continue to transmit intraday PCS, and no need to immediately discontinue such transmissions. Firms may elect to discontinue these transmissions at whatever date is convenient.

In addition, for end-of-day PCS, it is no longer necessary to include the “spreads” data – the breakdown of the total long and short position into intra- and inter-commodity spreadable positions. There is no harm if firms continue to provide the “spreads” data in the end of day PCS file, but no requirement to continue providing it, and firms who do wish to discontinue its transmission may do so at any convenient date.

We encourage firms to submit second PCS files in the morning, to automatically generate position adjustments. In effect, this automates the process of submitting morning position adjustments to correct open interest.

For more information please contact CME Clearing at ccs@cmegroup.com or via phone at Chicago (312) 207 2525 | London (44) 203 379 3198 | Singapore (65) 6593 5591