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Advisory Notice

Clearing House

FXMS 06-01

TO: Clearing Member Firms
FROM: Clearing House Department
SUBJECT: **Clearing Specifications for FXMarketSpace™ Now Available**
DATE: August 16, 2006

Detailed specifications for clearing and bookkeeping processing for FXMarketSpace are now available at CME Clearing's Resource Page for FXMarketSpace, at www.cme-ch.com/fxms

- **iLink Client Impact document for FXMarketSpace** -- provides details on the enhancements to the iLink specification for connecting to CME Globex, specific to FXMarketSpace, including the inclusion on the trade confirmation message of the trade's value date and the two currency amounts
- **Clearing Impact document for FXMarketSpace** -- provides full details on the processing of FXMarketSpace transactions in the CME clearing system, and associated implications for futures back office bookkeeping systems
- **FIXML Specifications for Trade Capture messages** -- a complete specification for FIXML messages as they will be used to provide trade confirmation messages for electronically-executed trades, including cash FX transactions on FXMarketSpace.
- **Sample FIXML messages for FXMarketSpace** -- provides annotated examples of FIXML clearing trade confirmation messages for FXMarketSpace and FIXML trade and position reports for same in the Trade Register File
- **Sample FIXML Settlement Obligation Message for FXMarketSpace** -- provides annotated examples of the special message to be used for confirming detailed physical settlement obligation messages resulting from FXMarketSpace trades.

All CME active Class A clearing member firms are eligible to participate in FXMarketSpace. In addition, Class C members (a new CME membership category) will be limited to clearing FXMarketSpace transactions only.

The key aspects of clearing processing for FXMarketSpace are as follows:

- All clearing trade confirmation messages will be provided in FIXML format.
- Give-ups and average-price transactions will not be available on FXMarketSpace at this time.
- Trades will be booked and maintained at original trade price until physical settlement (delivery) on the value date. Physical settlement will be at original trade price, either on a gross or net basis, pending resolution of arrangements with key service providers.
- Settlement prices will be published daily for “mark to market” purposes. However mark-to-market amounts for FXMarketSpace positions will be **collateralized** rather than banked -- *ie*, transformed into performance bond credits or liabilities.

We will shortly publish details of testing opportunities available to firms in the period leading up to launch in early 2007. For more information, please contact:

- At FXMarketSpace: Paul Lichter (312-648-3855)
- At CME Clearing: Ed Gogol (312-648-3674), Mike Kobida (312-454-8961) or Cheryl Martin (312-466-7437)