TO:	Eris Exchange Market Participants
FROM:	Eris Exchange Control Center
NOTICE:	#18-M07
DATE:	October 1, 2018
SUBJECT:	Eris USD Interest Rate Swap Futures Migration to CBOT

This Notice serves to inform Eris Exchange, LLC ("Exchange") participants that the Eris USD Interest Rate Swap Futures complex will transfer from trading on Eris Exchange to trading on CBOT at CME Group

Overview

As announced in May 2018, Eris Exchange and CME Group have entered into an exclusive license agreement to list Eris USD Primary Standard Swap Futures contracts on CBOT. Eris Swap Futures will commence trading on the CME Globex platform on December 2, 2018, and will be available to all existing CME Group clients through CME Direct, CME ClearPort and third-party front-end platforms.

Impact to Firms

- **Contract Listings**
  Eris Primary Standard Swap Futures are the only contracts migrating to CBOT. All other contracts (Eris Flexes, Eris Ultra Forward Standards and Eris Invoice Swap Futures) will NO longer be available for trading.

- **Contract Codes**
  Eris Z-codes will no longer be used as the Eris ticker codes. The new contract codes for the CBOT Eris Swap Futures are listed in the table below. Example: ZA910220201219 for the 2Y Dec2018 Eris Primary Standard will be LITZ18.

Tenor	Eris Primary Standard Z-code *(without last 8 maturity date digits)*	Eris Swap Futures on CBOT Contract Code
2Y	ZA9102	LIT
3Y	ZB9103	LIC
4Y	ZB9104	LID
5Y	ZB9105	LIW
7Y	ZC9107	LIB
10Y	ZC9110	LIY
12Y	ZD9112	LII
15Y	ZD9115	LIL
20Y	ZD9120	LIO
30Y	ZD9130	LIE

- **Trade Direction**

Trade Direction	Eris Swap Futures Listed on Eris Exchange	Eris Swap Futures Listed on CBOT
Buy	Paying Fixed	Receiving Fixed
Sell	Receiving Fixed	Paying Fixed

- **Price Format**
  Eris Swap Futures listed on CBOT will trade on Futures Price terms, consistent with the Settlement Price. The Futures Price may be theoretically determined as 100 + A + B – C, where:

  A = Present value of future fixed cash flows minus floating cash flows, all discounted on the OIS curve
  B = Past historical fixed and floating coupon payments
  C = Price Alignment Interest ("PAI")

  The 'B' and 'C' values will be made available through the CME DataMine offering. For additional details on CME DataMine, contact clientservices@erisfutures.com.

- **Market Data**
  CME Group will publish real-time market data on CME MDP 3.0, channel 344, alongside other CBOT financial futures contracts (e.g. Treasury Futures, MAC swap futures, etc). The Streamlined SBE market data feed, channel 246, for Eris Exchange will be decommissioned on Nov 30, 2018.

- **Connectivity**
  Participant Firms, Clearing Firms and ISVs will no longer require a separate cross-connection to the Eris SwapBook data center. Firms can leverage existing CME GLink connections to CME Globex platform.

New Release & Production Launch Dates:

- CME New Release: Oct 1, 2018
- CME Production Go-Live: Dec 2, 2018

Testing:

Independent Software Vendors (ISVs):

ISVs may reference the CME Client Impact Assessment technical specifications for the Eris Swap Futures on CME Globex.

Clearing Firms:

- Clearing Firms can request Eris Swap Futures test trades by contacting the CME CSET team (CSET@cmegroup.com)
- Clearing Firms should test post-trade processing functionality by ensuring test trades successfully post in CME FEC+
- Clearing Firms submit PCS and CGM files to sFTP in New Release:
  - PCS testing file name: CERT.PCS.CMF_xxx.xml
  - CGM testing file name: CERT.CGM.xxx.01.xml (xxx is the Clearing Firm ID)
- Download files:
  - CBOT Testing Settlement Price from public ftp site: ftp://ftp.cmegroup.com/settle/nr/
  - New Release SPAN file: ftp://ftp.cmegroup.com/pub/span/data/cme/nr/
  - New Release CBOT trade register FIXML file from sFTP to reconcile with the exchange

Contact Information:

For questions, please email Client Services at clientservices@erisfutures.com or call 646-961-4480

Eris USD Swap Futures on CBOT: Contract Specifications

Exchange Listing	CBOT
Contract Notional	$100,000 for all tenors
Underlying Tenors	2, 3, 4, 5, 7, 10, 12, 15, 20, and 30-year contracts
Fixed Coupons	Predetermined vs 3M LIBOR, mirroring the terms of SIFMA MAC swaps[1]
Effective Dates	Quarterly IMM start dates, listed out to the 3rd front IMM date. Standard ISDA rolls, resets and maturity date conventions
Maturity Dates	The date "tenor-years" forward from the IMM Effective Date, based on ISDA modified following date conventions **Example:** the Sept 2018 Eris 10y (LIYU18) Effective Date is 09/19/2018, so the Maturity Date is 10 years forward, 09/19/2028
Last Day of Trading	The business day prior to the Maturity Date
Final Settlement Price	**= 100 + all coupon payments – accumulated Price Alignment Interest (PAI),** explained below; fixed coupons treated as positive numbers and floating coupons as negative, i.e. a long Eris position represents receiving fixed and paying floating on swap
Price Convention	Eris will trade on a decimal price indexed to 100; settling to 4 decimal places; **Example:** Eris 2y price 101.0820
Tick Sizes	Tick sizes vary by tenor (see table below) from $2-$20 / 0.0020-.0200, roughly equal to 1/10th of a basis point in yield, 0.001%. All contracts will settle to 4 decimals, i.e. the nearest $0.10.
Variable Tick Sizes	Tick sizes will reduce once over the life of each contract, based on the remaining tenor
Trading Hours	23/5, Sunday 6pm to Friday 5pm ET, settling daily at 3pm ET, with a 60-minute break each day from 5pm to 6pm ET

Footnotes

1. MAC fixed coupon is set by SIFMA AMG's MAC Sub-Committee

Product Codes & Tick Sizes

Tenor	2Y	3Y	4Y	5Y	7Y	10Y	12Y	15Y	20Y	30Y
Code	LIT	LIC	LID	LIW	LIB	LIY	LII	LIL	LIO	LIE
Date Suffix	3-character suffix, made up of 1-character IMM effective date (Mar, Jun, Sep, Dec: H, M, U, Z), followed by 2-digit effective year (e.g. LIYU18 = Sep18 Eris 10Y, maturing 19 Sep 2028)									
Initial Tick: $/Px	$2 / 0.002		$5 / 0.005		$10 / 0.010				$20 / 0.020	
Revised Tick: $/Px	$1 / 0.001				$2 / 0.002				$5 / 0.005	
Nearest Expiring Contracts	4	6	10	12	12	12	10	10	10	20

Key Resources:

Release Date	CBOT Eris Swap Futures Materials
Sep 24, 2018	CME Clearing Advisory Notice # 18-380
Sep 19, 2018	CME Clearing: New Product Summary: Initial listing of Ten (10) Eris Swap Futures
Published Weekly	Client Impact Assessment (Technical CME Globex API Specifications)
Sep 13, 2018	FIS GMI Client Services Bulletin #143
Jul 16, 2018	Eris Primer and Contract Specifications
May 23, 2018	Eris to CME Summary Tear Sheet
May 10, 2018	Eris@CME Group FAQs