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**Market Notice #13-M06: Introduction of Margin Offsets between Eris Standards and Eris Flexes**

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TO: Eris Exchange Market Participants

FROM: Eris Exchange Control Center

NOTICE: #13-M06

DATE: July 9, 2013

SUBJECT: Introduction of Margin Offsets between Eris Standards and Eris Flexes Starting July 15, 2013.

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This Market Notice serves to notify Participants of Eris Exchange, LLC ("Eris Exchange" or "Exchange") that the CME will support margin offsets between Eris Standards and Eris Flexes on Monday July 15<sup>th</sup>, 2013.

**Description of Change**

Upon launch CME allows firms the option of including Eris Standards instruments in the CME HVAR portfolio margining process. Current products eligible for portfolio margining within Customer Segregated 4(d) accounts:

Products Available for Portfolio Margining	
SPAN Margin Clearing Account	HVAR Margin Clearing Account
Eris Standards	Eris Standards (available July 15, 2013)
CME Eurodollars	Eris Flexes
CME Treasury Futures	CME Eurodollars
CME Deliverable Swap Futures	CME Treasury Futures

The process for FCM's to obtain offsets for Eris Standards is identical to how FCM's receive offsets between Eris Flexes and other futures: Clients executes Eris Standards trades directly into customer position accounts, or FCM transfers the eligible futures (CME Eurodollar Futures, CME Treasury Futures, or Eris Standards) into the account that houses Eris Flex positions.

**Implementation of Change**

CME plans to enable the system change to support these changes the weekend of July 13<sup>th</sup>, 2013 for trading Monday July 15<sup>th</sup>, 2013.

## **FCM Certification of HVAR Margining of Eris Standards**

FCM's **must** certify in the CME New Release environment before taking advantage of the optional use of margin offsets for Eris Standards in the production environment. Please contact the Eris Control Center at [ErisControlCenter@erisfutures.com](mailto:ErisControlCenter@erisfutures.com) to coordinate testing and the certification process.

## **Effects to FCM and CME Margin Processes**

### **CME**

- CME allows FCM's to place Eris Standards into Eris Flex customer clearing position accounts
- CME overnight margin process and CME-provided portfolio margin reports are unaffected
- CME ASP Margin Calculation Process (Daily Pre-Batch Margin Estimates) has been modified to accept Eris Standards as a valid instrument class

### **FCM**

- No effect to CME-provided FCM margin reports
- No effect to FCM process for mapping clearing accounts at the customer account level for the purpose of portfolio margining
- FCM is responsible for allocating Eris Standards to Eris customer clearing position accounts for the purpose of receiving margin offsets with other eligible instruments
- FCM modifies daily position file generation process used in the CME ASP Margin Calculation Process (Daily Pre-Batch Margin Estimates) to include Eris Standards instruments

## **FCM Testing**

This functionality is currently available in CME New Release environment for FCM testing. Please contact the Eris Control, [ErisControlCenter@erisfutures.com](mailto:ErisControlCenter@erisfutures.com) to coordinate testing.

For any questions please contact the Eris Control Center, [ErisControlCenter@erisfutures.com](mailto:ErisControlCenter@erisfutures.com), 888-587-2699, Option 1.