

SEC Grants CME Group and CMDX Special Exemption to Clear and Trade Credit Default Swaps

CHICAGO, March 13, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- CME Group, the world's largest and most diverse derivatives exchange and its associated joint venture, CMDX, today announced that they have received a special exemption from the U.S. Securities and Exchange Commission (SEC) for clearing and trading credit default swaps (CDS) through CME Clearing and the CMDX platform. With this exemption, CME Group and CMDX have completed the regulatory reviews necessary to launch CDS clearing and trading in the U.S.

The SEC exemption allows CME Group to use its existing clearing membership structure to offer CDS clearing services backed by CME's industry-leading financial safeguards package of approximately \$7 billion. Clearing members that are registered FCMs or Broker-Dealers will be able to clear CDS trades on behalf of their qualified customers. CME Group will utilize its robust portfolio-based margin methodology for determining index and single name margin requirements.

"We are pleased to have successfully completed the U.S. regulatory review process," said CME Group Executive Chairman Terry Duffy. "We are confident our significant financial safeguards package and the proven counterparty risk management framework of CME Clearing, which has protected investors across a range of financial instruments more than 100 years, can bring stability to the CDS market."

"As the CDS market migrates to a central counterparty clearing model, participants will benefit from the financial strength and risk management capabilities of CME Clearing - the largest derivatives clearing organization in the world," said CME Group Chief Executive Officer Craig Donohue. "CMDX and CME will offer the most complete CDS solution for all market participants, providing segregation of customer funds and positions, and the broadest product offering, including all major CDS indices and single-names."

An open solution for CDS products, CMDX will use the proven clearing, settlement and risk management capabilities of CME Clearing. CMDX provides straight-through processing to CME Clearing through CMDX's migration utility, trade booking facility and trading platform. CME Group will also provide CDS clearing services to market participants who submit trades directly or via inter-dealer brokers or other execution venues.

With the SEC exemption, CME Clearing and CMDX can now offer market participants key benefits that are distinguished from today's OTC market and other clearinghouses. These distinguishing characteristics include:

- A time-tested legal and regulatory framework that protects both customer positions and margin. In the event that a CME clearing member was to default on their proprietary positions, all customer positions and collateral will be fully protected.
- A state of the art clearing, settlement and risk management solution that provides significant improvements over the existing OTC CDS infrastructure.
- A mutualized guaranty fund of approximately \$7 billion, which provides unmatched protection for market participants.

For more information, please visit www.cmdx.com.

About CME Group

CME Group (www.cmegroup.com) is the world's largest and most diverse derivatives exchange and clearinghouse. Building on the heritage of CME, CBOT and NYMEX, CME Group serves the risk management needs of customers around the globe. As an international marketplace, CME Group brings buyers and sellers together on the CME Globex electronic trading platform and on trading floors in Chicago and New York. By acting as the buyer to every seller and the seller to every buyer, CME Clearing virtually eliminates counterparty credit risk. CME Clearing also offers financial safeguards to help mitigate systemic risk, providing the security and confidence market participants need to operate, invest and grow. CME Group offers the widest range of benchmark products available across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, and alternative investment products such as weather and real estate. CME Group is listed on NASDAQ under the symbol "CME."

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About CMDX

CMDX is an open-architecture electronic trading, trade booking, and migration/clearing-only platform for credit default swaps open to all qualified commercial market participants. Trades executed, booked or migrated through CMDX are processed directly to CME Clearing for multilateral netting and centralized clearing. CMDX has been formed by joint efforts by CME Group and Citadel Investment Group. CME Clearing is the exclusive provider of risk management and clearing services for CMDX and follows CME Clearing's well established policies and processes. More information can be found at www.cmdx.com.

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