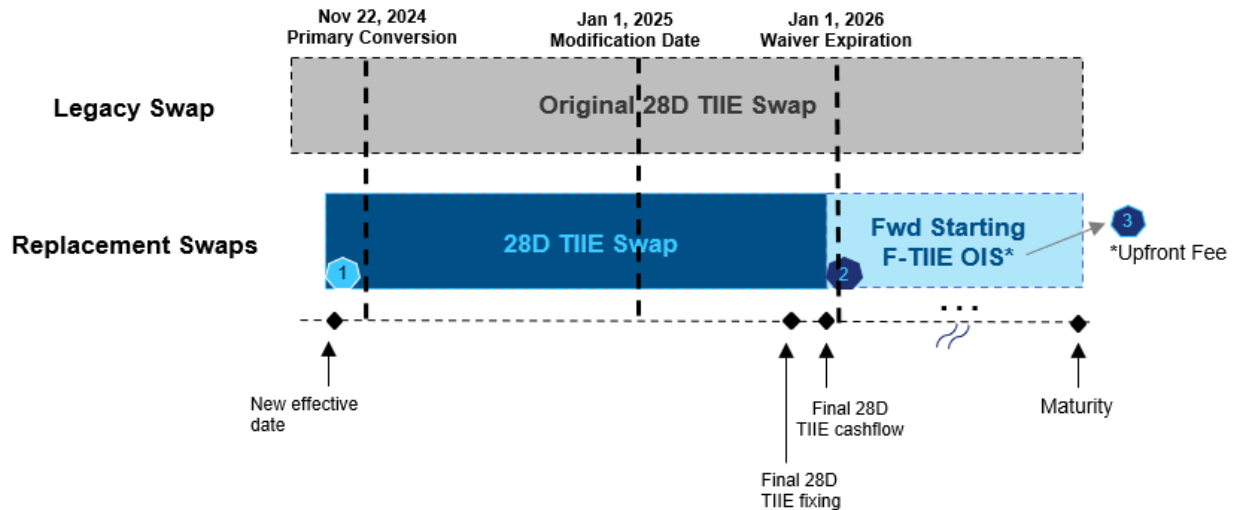


Client Readiness: CME Conversion for Cleared MXN 28D TIE Swaps

Key Timeline of Events:



Conversion Methodology and Trade ID Linkage:



As shown in the visual above, under [CME Group's conversion methodology](#), in most instances, at the point of conversion any legacy MXN 28D-TIE swaps with maturities beyond the end of 2025 will be terminated, and two replacement swaps will be booked:

1. A "short" 28D-TIE IRS will be booked to preserve fixings prior to December 3, 2025
 2. Any fixings from December 3, 2025 will be rebooked as a forward starting F-TIE OIS (incl. cash compensation in the form of an upfront fee that is intended to compensate for any NPV difference created as a result of conversion)
- CME Group will append the Client IDs for the newly created replacement swaps that result from the conversion event. Any 28D TIE replacement swaps will have an 'T' added to the original Client ID, while any F-TIE OIS replacements will have an 'R' added

- A unique Cleared Trade ID will be generated for each trade, however, the original 28D TIIE swap's Cleared Trade ID can be linked and will populate as each replacement swap's Converted Trade ID. Platform IDs will simply carry over to each replacement swap:

Swap	Client ID	Cleared Trade ID	Converted Trade ID	Platform ID
Original 28D TIIE Swap	123456	10765411	N/A	678910
28D TIIE Replacement	123456T	14278721	10765411	678910
F-TIIE OIS Replacement	123456R	14278722	10765411	678910

Indicative Analysis Report:

- As of September 2nd, CME Group will be providing indicative analysis reports that show which of your 28D-TIIE swaps are in scope for the primary conversion event, as well as the key attributes for the post-conversion replacement swaps you can expect to receive with a Cleared Date of November 22nd. Note, this report is based on your production portfolio and can be accessed via a secure FTP connection directly with CME (more details below). Certain FCMs make this report available to clients as well
- This report provides indicative cash compensation amounts at the trade level. Note, these amounts are indicative and will fluctuate until they are finalized on the actual date of conversion
- During the primary conversion on Friday, November 22nd, the indicative analysis report will post around 7:30pm ET and will contain the finalized cash compensation amounts, which will settle on Monday, November 25th

Dress Rehearsal Tests:

- CME will be coordinating dress rehearsals on September 27th and October 25th to simulate and test the primary conversion event
- In order to make these tests as realistic as possible, production portfolios will be loaded into our UAT environment; this will allow firms to obtain a full trade register report showing simulated conversion results following each dress rehearsal
- This trade register can be used to assist with reconciliation following the production conversion; the only items that will not be captured in full are:
 - The cash compensation amounts that will not be finalized until the production conversion, and
 - Any changes to your portfolio of 28D TIIE swaps between the dress rehearsal and production conversion

Trade Register Report:

- Following the dress rehearsal tests, as well as the production primary conversion, the trade register report that is available via sFTP will contain a complete record and all of the economic attributes for your original 28D-TIIE swaps that were terminated, as well as the newly created, post-conversion replacement swaps

- On Friday, November 22nd, the trade register report will post between 8:30-9pm ET and will also contain the finalized cash compensation amounts at the trade level (settles as an upfront fee)

MarkitWire Synchronization Service and Bloomberg Trade Register Access:

- Some participants with larger portfolios are electing to utilize MarkitWire’s Synchronization service to help automate the booking and reconciliation process for their replacement swaps
 - This is an optional, paid service and requires sign-up at both CME and MarkitWire.
- Participants also have the option to provide access to Bloomberg in order to view their CME cleared swap positions
 - This requires a data sharing agreement to be signed in advance of the conversion

CME Secured FTP (sFTP) Folder Setup:

- CME’s Client Services team is available to assist firms that would like to set up sFTP folders in order to receive trade reporting directly from CME
- Please have a registered verification officer (VO) request this setup by emailing our teams at the addresses provided in the contact information section below
- **The signup deadline for these services to be in place ahead of the conversion is set to November 1, 2024.** We highly encourage interested participants to contact CME Client Services well in advance of this date to ensure ample set up time

Contact Information and Resources:

Team	Inquiry Type	Email	Phone
CME Conversion Team	General inquiries	ClearedSwapConversion@cmegroup.com	
CME Client Services	Urgent inquiries during production conversion events	Onboarding.Clearing@cmegroup.com	+1 312 338 7112

Please visit our [TIIE Transition homepage](#) for additional resources, including details regarding the following items:

- Conversion Methodology and Example Scenarios
- Conversion Pricing Using the Banxico Modification Formula
- Operational Processing, Trade Messaging and Reporting
- F-TIIE OIS Market Standard Attributes