

Regulatory Notice 15-5

Issue Date: August 17, 2015

Attention: Compliance and Trading Departments

Daily Market Activity Publication Revisions

Executive Summary

Effective Monday, August 17, 2015, LatAm SEF is implementing changes to the daily market activity publication that is posted on LatAm SEF's web site and sent to the CFTC. These changes are being made to remove ambiguity and provide clarity regarding reported trade size and currency, and for consistency with the trade volume citation convention for SDR reporting.

Under the revised publication, trade volume will be cited in the full notional value (e.g.: "1,000,000" will represent one million) and will no longer be cited using a whole number to represent traded contract size (i.e.: 1 = 1,000,000 where standard contract size is one million). Notional value will further be clarified by the addition of the "Currency" column, denoting the currency the notional value is cited in. The "Currency" column will appear to the right of the "Trade Volume" column.

Background

Since November 18, 2013, LatAm SEF has published Interest Rate Swap trade volume as per CFTC §16.01(a)(2)(iv)(A), which states in part, "trading volume shall be reported in terms of the number of contracts traded for standard-sized contracts." Under this convention, a whole number is used to represent the traded contract size "million" (e.g.: 1 = 1,000,000). Until July, 2015, all LatAm SEF Interest Rate Swap trades were in a product having a traded contract size in the base unit "millions."

On July 24, 2015, LatAm SEF began processing trades and publishing related daily market activity for Interest Rate Swap products that trade in the standard contract size "billions." Under the trade volume citation convention in place since November 2013, such trades are also published using a whole number to represent the traded contract size (e.g.: 1 = 1,000,000,000). This citation convention causes ambiguity because the meaning of the value is contingent on (1) the instrument base unit, and (2) the reader's familiarity with each instrument. For example, in the table below, the trade volume for the instrument, "CLP vs. Camara Promedio IRS - 5-Year" is ten billion and the trade volume for the instrument, "MXN TIIE IRS - 65x1" is 10 million, yet each is cited using the value "10."

For Example:

Instrument	Previous Trade Volume Convention	Adopted Trade Volume Convention	Currency
MXN TIIE IRS - 65x1	10	10,000,000	MXN
CLP vs. Camara Promedio IRS - 5-Year	10	10,000,000,000	CLP

Action Required

None.

Contacts

Questions regarding this Notice should be directed to:

- Elmer Resoso, Market Operations Director
Direct Line: (646) 344-3272
Email: eresoso@latamsef.com
- Joseph Skelly, Corporate Communications
Direct Line: (646) 344-3274
Email: jskelly@latamsef.com