

TO: Clearing Member Firms  
Chief Financial Officers  
Back Office Managers

FROM: CME Clearing

ADVISORY #: 18-199

**SUBJECT: Revisions to the Concentration Margin Program**

DATE: May 18, 2018

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Effective May 21 2018, CME Clearing will enact temporary revisions to its concentration margin program for futures and options.

Concentration margin add-ons are determined by assessing the calculated stress loss relative to Adjusted Net Capital ("ANC"), average historical variation margin payments, and an absolute dollar value threshold. To adequately account for risk posed by large and concentrated portfolios, CME Clearing has deemed it appropriate to alleviate unwanted variability in the current concentration margin calculation by temporarily suspending the average historical variation margin payment criteria. The temporary suspension will remain in place until further notice.

This does not impact the current tier structure and both the Adjusted Net Capital ("ANC") and absolute dollar value thresholds will remain in place.

Should you have any questions, please contact CME Clearing Risk Management at [Clearing.RiskManagement@cmegroup.com](mailto:Clearing.RiskManagement@cmegroup.com) or 312-648-3888.