

 **CME Group** | Advisory Notice

**TO:** Clearing Member Firms  
Chief Financial Officers  
Back Office Managers

**FROM:** CME Clearing

**ADVISORY #:** 19-075

**SUBJECT:** Automation of the Stress Shortfall Margin Add-on Program

**DATE:** February 28, 2019

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On June 29, 2018, CME Clearing issued Clearing House Advisory Notice #18-264 detailing the implementation of the Stress Shortfall Margin Add-on Program, hereafter referred to as the Add-on. Since that time, the Add-on has been applied manually to those firms meeting the threshold.

Effective March 7, 2019, the Add-on will be implemented on an automated basis and thereby will change daily for impacted firms. In addition, CHAN #18-264 detailed a \$1 billion stress shortfall as a prerequisite of the application of the Add-on. Going forward, and until further notice, that threshold will be increased to \$1.25 billion. The other parameter, whereby shortfalls in excess of the threshold will trigger a 30% margin charge on that excess, remains unchanged.

Following the point of automation, and in order to provide further transparency, all clearing member firms, whether or not they are subject to the Add-on, will have access to report CPB992, titled "Stress Shortfall Margin Add-on Report," which will show the parameters that govern the program and calculated stress loss amounts by asset class for each relevant portfolio.

Should you have any questions, please contact Abby Perry ([abby.perry@cmegroup.com](mailto:abby.perry@cmegroup.com); (312)-338-2462).