

TO: Clearing Member Firms  
Chief Financial Officers  
Back Office Managers

FROM: CME Clearing

ADVISORY #: 20-110

SUBJECT: Parameter Updates Pertaining to the Concentration Margin Program

DATE: March 18, 2020

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Effective March 18, 2020, CME Clearing will enact parameter revisions to its concentration margin program for futures and options. No changes will be made to the concentration margin program methodology.

Concentration margin add-ons are determined by assessing the calculated stress loss relative to Adjusted Net Capital ("ANC") and an absolute dollar value threshold. This stress loss value is calculated by shocking current price scans up and down by 150%. CME Clearing has deemed it appropriate to reduce this shock from 150% to 125%. The reduction will remain in place until further notice.

This does not impact the [current tier structure](#) and both the current 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.