



## Clearing Advisory Notice

DATE: June 1, 2020

TO: Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 20-221

SUBJECT: **Updated implementation schedule for gross customer option value aggregation**

As previously published on May 22, 2020 in Clearing Advisory 20-206, starting with the end-of-day clearing cycle today, Monday, June 1, 2020, CME Clearing will begin phasing out of Net Option Value (NOV) *net* end customer aggregation, and start the process of moving to *gross* aggregation at the end client level for all clearing members with client accounts.

Beginning today, June 1, 2020, ten percent (10%) of NOV will move from net to gross across end clients. In other words, for client accounts which have positive net option value greater than the risk, credit will be given for 90% of the excess of option value over the risk. The remainder of the implementation schedule as announced in Clearing Advisory 20-206 will be placed on hold, meaning that the 10% reduction **will be maintained until further notice**.

Firms may note the effect of this change on the **CPB990** report, which shows three values for each combined commodity – **LOV**, **SOV** and **ANOV**, respectively Long Option Value, Short Option Value, and Available Net Option Value. As the change is phased in, the **ANOV** in this report will represent the gross aggregation and in some cases may be less than the total net option value, which can still be determined by taking Long Option Value less Short Option Value.

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