

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

ADVISORY #: 20-326

SUBJECT: Parameter Updates Pertaining to the Concentration Margin Program

DATE: August 20, 2020

Effective August 21, 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 for concentration margin add-on purposes is currently calculated by shocking price scans up and down by 125%¹. CME Clearing has deemed it appropriate to increase this shock from 125% to 140%.

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 or 312-648-3888.

¹ On March 18, 2020 the shock was reduced from 150% to 125% referenced in advisory [20-100](#).