

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

ADVISORY #: 20-480

SUBJECT: Parameter Update Pertaining to the Concentration Margin Program

DATE: December 15, 2020

Effective December 16, 2020, CME Clearing will enact a parameter change 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 currently calculated by shocking price scans up and down by 140%¹. CME Clearing will revert to previous parameter levels by increasing this shock from 140% to 150%.

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](#). On August 21, 2020 the shock was increased from 125% to 140% referenced in advisory [20-326](#).