



## Clearing Advisory Notice

DATE: November 22, 2021

TO: Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 21-433

SUBJECT: **CME to introduce scanning-based spreads with more than five legs**

CME Clearing will introduce scanning-based super-intercommodity spreads with six or more legs into its production SPAN risk parameter file effective with the end-of-day clearing cycle on **Friday, March 25, 2022**.

The SPAN algorithm puts no limit on the number of legs that can be used for any kind of spread -- intracommodity, regular intercommodity, or super-intercommodity. FIS' GMI bookkeeping software, however, had a limit of supporting only five legs of a scanning-based super-intercommodity spread, so CME has avoided introducing scanning-based super-intercommodity spreads with greater than five legs. FIS has advised CME that the enhancement for supporting this functionality was included in the "MEC28" GMI release made available earlier this year.

Clearing firms which wish to verify that their systems can process SPAN files with scanning-based spreads incorporating more than five legs, may utilize CME's "New Release" SPAN files, available at [ftp.cmegroup.com/pub/span/data/cme/nr](http://ftp.cmegroup.com/pub/span/data/cme/nr). The second and third intercommodity spread contained therein are super-intercommodity scanning-based spreads involving six legs and eleven legs, respectively, as shown below.

Priority	Type	Rate ID	Rate Value	Leg #	Comb Comm	Tier / Period	Side	Ratio
1	Scan	1	0.9800		NY-HP			0.0000
					NY-NG	Target		0.0000
2	Scan	1	0.9800		NY-23			0.0000
					NY-5Y			0.0000
					NY-AJ			0.0000
					NY-BH			0.0000
					NY-HO	Target		0.0000
					NY-MP			0.0000
3	Scan	1	0.9800		NY-27			0.0000
					NY-2C			0.0000
					NY-3G			0.0000
					NY-3R			0.0000
					NY-7L			0.0000
					NY-7P			0.0000
					NY-CBO			0.0000
					NY-MH			0.0000
					NY-RB	Target		0.0000
					NY-RL			0.0000
					NY-RT			0.0000

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