CME Group

# 23-041

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers
Margin Managers

FROM: CME Clearing
SUBJECT: Review of Collateral Haircuts Advisory
DATE: February 10, 2023

In conjunction with the regular review of market volatility and to ensure adequate collateral coverage, please find below the current acceptable collateral and haircuts for CME Clearing. All assets utilized to meet PB requirements in different currencies are subject to an additional cross-currency haircut. For applicable haircuts and more details, please see the CME cross-currency haircut file and the CME Financial and Collateral Management page. Should you have any questions, please contact the Financial Management group at 312-207-2594.

| Haircut Schedule | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Instrument** | **Time to Maturity** | | | | | | | **Changes** |
| U.S. Treasuries | | 0 to ≤1 year | >1 to ≤ 3 years | >3 to ≤ 5 years | >5 to ≤ 10 years | >10 years | | |
| | TBILL | 0.5% | -- | -- | -- | -- | | - |
| | TFRN | 1.0% | 2.0% | -- | -- | -- | | - |
| | TNOTE/TBOND | 1.0% | 2.0% | 3.0% | 4.5% | 8.0% | | - |
| | TIPS | 1.0% | 2.0% | 3.0% | 4.5% | 8.0% | | - |
| | TSTRIP | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% | | - |
| U.S Government Agencies | | 0 to ≤ 5 years | | | >5 to ≤ 10 years | >10 years | | |
| | *FFCB, FHLB, FHLMC, FNMA* | 3.5% | | | | | | - |
| | NOTE/BOND | 4.0% | | | 5.5% | 9.0% | | - |
| | Mortgage Backed Securities (FNMA, FHLMC, GNMA) | 11.0% | | | 11.0% | 11.0% | | - |
| Supranationals | | 0 to ≤1 year | >1 to ≤ 3 years | >3 to ≤ 5 years | >5 to ≤ 10 years | >10 years | | |
| | IBRD Note | 3% | 3% | 4% | 5% | -- | | - |
| | IBRD Discount Note | 3% | -- | -- | -- | -- | | - |
| Foreign Sovereign Debt | | 0 to ≤ 5 years | | | >5 to ≤ 10 years | >10 to ≤ 30 years | >30 years | |
| | BILL | 5.0% | | | | | | - |
| | NOTE/BOND | 6.0% | | | 7.5% | 9.0% | 10.5% | - |
| Canadian Provincials | | 0 to ≤ 5 years | | | >5 to ≤ 10 years | >10 years | | |
| | BILL | 25.0% | | | -- | -- | | - |
| | NOTE/BOND | 25.0% | | | -- | -- | | - |
| Cash | US Dollar, Australian dollar, British pound, Canadian dollar, Danish krone, Euro, Hong Kong dollar, Japanese yen, New Zealand dollar, Norwegian krone, Singapore dollar, Swedish krona, Swiss franc, Czech koruna, Hungarian forint, Mexican peso, Offshore Chinese Renminbi, Polish zloty, and South African rand. Please see the CME cross-currency haircut file | | | | | | | - |
| Gold and Gold Warrants | 15% | | | | | | | - |
| IEF 2 | 2% | | | | | | | - |
| IEF 4/ CORP | | 0 to ≤ 5 years | | | >5 to ≤ 10 years | >10 years | | - |
| | NOTE/BOND | 20.0% | | | 25.0% | 30.0% | | |
| Stock | 30.0% | | | | | | | - |
| ETF | 30.0% | | | | | | | - |
| UST ETFs | 3.0% | | | | | | | - |
| Letters of Credit | No Haircut | | | | | | | - |
| PTF | Follows underlying U.S. Treasury haircut schedule for TBILL/TNOTE/TBOND. | | | | | | | - |

*Please see website for applicability of each instrument towards IRS and Futures requirements.