

TO: Clearing Member Firms; Back Office Managers; Margin Managers; CME CORE Users; PC SPAN Users; Bookkeeping Software Providers

FROM: CME Clearing

ADVISORY #: 23-267

DATE: 09/06/2023

SUBJECT: The SPAN 2 Framework Energy Launch Phase 1 Finalization

All Clearing Members have been [registered](#) to migrate to the SPAN 2 framework for phase 1 (i.e., in-scope [energy products](#)) between July 21 and September 8. As we approach the end of the migration period, CME Clearing is making the following updates:

- Any Clearing Member that encounters technical issues which prevents it from migrating to the SPAN 2 framework on the scheduled September 8th migration weekend must notify CME Clearing immediately.
  - Any Clearing Member impacted by an issue which requires an extension for migration as approved by CME Clearing will be permitted to complete their migration at end-of-day on October 20, 2023.
- The SPAN framework will no longer be a production margin framework for phase 1 products (i.e., in-scope energy products) after October 21, 2023.
  - CME Clearing will continue to set margin requirements for non-phase 1 products using the SPAN framework consistent with existing practices.
  - The MARGIN003 report will no longer be published after October 21, 2023 to compare the SPAN 2 v SPAN margin requirements for phase 1 products.
  - The MARGIN001 SPAN version of the report will no longer be published after October 21, 2023. The MARGIN001 SPAN 2 version of the report will continue to be published.
  - All Deployable Margin Software users should use the SPAN 2 Risk Parameter File (or "RPF") by this date.

Additional details around the launch of the SPAN 2 framework can be found here:

<https://www.cmegroup.com/clearing/risk-management/span-overview/span-2-methodology.html>.

Please contact our Clearing Post Trade Services Team with any questions.

[posttradeservices@cmegroup.com](mailto:posttradeservices@cmegroup.com)

US: +1 312 580 5353, UK: +44 20 3379 3500, APAC: +65 6593 5599