

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

FROM: CME Clearing

ADVISORY #: 24-030

DATE: 1/29/2024

SUBJECT: SPAN 2 Framework Energy Product Addition to In-Scope Products

As per normal review, CME Clearing's Risk Management staff approved the addition of the following products to the SPAN 2 framework's in-scope product list into SPAN 2 framework's crude pod.¹ For avoidance of doubt, products that are added to the In-Scope Products list will be margined under the SPAN 2 methodology, however they may receive margin offsets against products that are margined under the SPAN methodology through Cross Model Offset ("CMO"). The rollout schedule for asset classes to be margined under the SPAN 2 methodology is available [here](#) and the list of current products margined under SPAN 2 methodology is available [here](#).

Clearing	GLOBEX	Product Name	Exch	Asset Class	Product Group
GFC	GFC	Gulf Coast HSFO (Platts) Crack Spread BALMO Futures	NYMEX	Energy	Refined Products
MF	MFB	Gulf Coast HSFO (Platts) Futures	NYMEX	Energy	Refined Products
MG	MGH	Gulf Coast HSFO (Platts) Crack Spread Futures	NYMEX	Energy	Refined Products
VZ	AVZ	Gulf Coast HSFO (Platts) BALMO Futures	NYMEX	Energy	Refined Products
GCI	GCI	Gulf Coast HSFO (Platts) Brent Crack Spread Futures	NYMEX	Energy	Refined Products

The addition and associated margin impacts will be effective after the close of business on

01/31/2024.

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?redirect=/span2>

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

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¹ Note, a pod is a group of associated products under the SPAN or SPAN 2 methodology and the cross model offset is the applied margin offset between the SPAN and SPAN 2 methodology. The products included in the SPAN 2 methodology's pods are available here: <https://www.cmegroup.com/clearing/files/phase-1-energy-products-10-26-23.xlsx> and products included in the CMO are available here: <https://www.cmegroup.com/clearing/files/list-of-cross-model-offset-products.xlsx>.