

Advisory Notice

24-132

TO: Clearing Member Firms

Chief Financial Officers

Back Office Managers

FROM: CME Clearing

DATE: May 13, 2024

SUBJECT: Parameter Updates Pertaining to the Concentration Margin Program

Effective May 16, 2024, CME Clearing will enact parameter revisions 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 per asset class relative to Adjusted Net Capital ("ANC") and an absolute dollar value threshold. Currently, the FX asset class in the concentration margin program includes cryptocurrencies, more specifically Bitcoin Futures ("BTC") and Ether Futures ("ETH") as well as associated non-USD equivalent, micro and option derivatives of these products. CME Clearing has deemed it appropriate to separate FX and Cryptocurrency asset classes in the concentration margin program.

This does not impact the <u>current tier structure</u>, and both the current 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.