

CME Group | Advisory Notice

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

FROM: CME Clearing

ADVISORY #: **24-138**

DATE: 5/17/2024

SUBJECT: SPAN 2 Framework Energy Product Addition to Cross Model Offset (“CMO”)

As per normal review, CME Clearing’s Risk Management staff approved the addition of the following products to the SPAN 2 framework’s cross model offset (“CMO”) against products that are margined in the SPAN 2 framework’s crude pod.¹ For avoidance of doubt, products that are added to CMO continue to be margined under the SPAN methodology, however they may receive margin offsets against products that are margined under the SPAN 2 methodology. 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	ClearPort	Product Name	Exch	Asset Class	Product Group
DGS	-	DGS	Cleared OTC Bloomberg Commodity Index Swaps	CBOT	Agriculture	Commodity Indices

The addition and associated margin impacts will be effective after the close of business on **Friday, May 17, 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-09-07-23.xlsx> and products included in the CMO are available here: <https://www.cmegroup.com/clearing/files/list-of-cross-model-offset-products.xlsx>.