CME Group | Advisory Notice

TO:	Clearing Member Firms; Back Office Managers, PC SPAN Software Users, CME CORE Users, Deployable Margin Software Users
FROM:	CME Clearing
ADVISORY #:	24-169
DATE:	June 14, 2024
SUBJECT:	Deployable Margin Software Production Release - Equities in SPAN 2™ Margin Framework

CME Clearing ("CME") has announced the multi-year rollout schedule of its SPAN 2 framework for calculating performance bond requirements for CME-cleared futures and options on futures. According to the planned Equities in SPAN 2 framework release schedule, CME has delivered a production-candidate build of the deployable margin software, version 3.1.9, which supports Equities in the SPAN 2 framework. Users are encouraged to deploy this version in their production environment on or before the mandatory production cutover date for Equities contracts. Starting on the mandatory cutover date, prior versions of the deployable margin software will no longer be supported.

This build supports the following enhancements:
- Support for Equities contracts in the SPAN 2 framework.
- Limited forward-compatibility to allow users to test and integrate during the go live integration window. Go live window dates will be confirmed in a subsequent advisory.

A full list of all changes related to this build can be found in release notes here. Please refer also to the User Guide here.

This build is not expected to run successfully with older versions of the risk parameter files. To support testing during the go live window and a smooth transition to production:
- This build is being released with a single sample risk parameter file for February 20, 2024, scheduled for publication June 18. This risk data set allows users to functionally test all in-scope enhancements, bug fixes and minimum requirement changes.
  - Sample risk parameter file naming convention: Test.cme.span2.20240220.c.zip
  - Scheduled publication date: June 18, 2024
  - Sample risk parameter file location: [user local site]/pub/SPAN2/rpf/test
    - Please note this site requires entitlements, please contact CME to obtain.
- CME will publish daily risk parameter files starting in July supported by this version of the program and by the prior production version. Daily production RPFs published before this time are not supported by this build.
- Users who do not upgrade to this version on or before the mandatory production cutover date will subsequently experience program errors.

Descriptions of the services CME has made available to calculate initial margin are here.

Engagement Checklist

To support the Q3 2024 application of the SPAN 2 framework to Equities products, firms are encouraged to:

- Continue to identify all internal systems that use SPAN calculations, if applicable;
- Work with their back office and any middle office service providers to test the latest version;
- Once CME has published a production go live advisory, coordinate a production go live date with the latest version;
- Become familiar with the CME CORE application, which replaces the PC SPAN application for CME Group Margin Calculations for SPAN 2 Margin Analysis;
- Review Prod Parallel Reports to become familiar with SPAN 2 margin requirements; and
- Reach out to CME's Post-Trade Services Team with any questions related to the SPAN 2 framework (contact information provided below).

Accessing the latest version of Deployable Margin Software
1. Create a CME login ID if necessary.
   a. See steps below for creating a CME Login ID.
2. Email your CME Login ID to posttradeservices@cmegroup.com to be entitled to download Deployable Margin Software if you have not in the past.
3. Log into CME CORE here: https://cmecore.cmegroup.com/
4. Navigate to the Download Center - Software.
   a. The Deployable Margin Software is available under the "Java Deployable SDK" section.

Steps for creating a CME Login ID
1. Go to the CME CORE login screen: https://cmecore.cmegroup.com/
2. Click on the "Need to Register" link and provide the required information.
3. Receive your CME Login ID. Please reach to EASE.AtYourService@cmegroup.com with any questions about creating a CME Login ID.

For more information, please contact CME Clearing at PostTradeServices@cmegroup.com or via phone at Chicago (312) 207 2525 | London (44) 203 379 3198 | Singapore (65) 6593 5591