CME Group | Advisory Notice

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

DATE: December 15, 2014

ADVISORY #: 14-485

SUBJECT: **Additional Margin File – New Release**

CME Clearing will begin generating an additional margin file in our test (“New Release” or “NR”) environment on December 17, 2014. This file will be reflective of the changes required to support clearing Swaptions, including:

1. Reflecting the time decay effects on interest rate swap and swaption products.
2. Enhancing the liquidity model from a currency-specific, margin-based model to currency-specific, delta-based model, with additional greeks for portfolios containing swaptions.

A new version of the CME Optimizer will also be available to facilitate the commingling of interest rate futures in portfolios containing swaps and swaptions.

This new margin file available on firms FTP sites will be in addition to the MR3 generated from our existing margin methodology and will contain an additional column for “Skew Margin”.

New MR3 filename - IRSMR3_FFF_YYYYMMDD_SWO.nr.csv

New Column present – Skew Margin

Column Number	Column Name
1	Date
2	Firm Id
3	A/C ID
4	Seg Type
5	Currency
6	Maintenance Requirement
7	Initial Requirement
8	Net Notional
9	Concentration Margin
10	Breakout Currency
11	Breakout Margin
12	FX Risk
13	FX Rate
14	Settle Initial Margin
15	Settle Maintenance Margin

16	Skew Margin

Please reach out to cme.core@cmegroup.com with margin-related questions.

Please reach out to onboarding@cmegroup.com with questions about the Swaptions offering.