

TO: Clearing Member Firms; Back Office Managers; Deployable Margin Software Users

FROM: CME Clearing

ADVISORY #: 24-331

DATE: October 28, 2024

SUBJECT: Support for SPAN 2™ framework in OCC / CME Cross-margin Program

Consistent with [this advisory](#), and pending all applicable regulatory reviews, CME is migrating equity products to the SPAN 2 framework. As part of this migration, CME will update the calibration of OCC / CME cross-margin program risk arrays to use risk data from the SPAN 2 framework.

The migration date for the OCC / CME cross-margin program is Friday, December 6, 2024. Following that date, all clearing cycles for the OCC / CME cross-margin program will consider SPAN 2 calibrated risk arrays. Users of the OCC / CME cross-margin program should review impacts to prepare for the December 6 migration.

Below please find the expected impacts to CME services.

Technical Impacts

The existing OCC / CME cross-margin xml-formatted SPAN® risk array file (with file extension .spn) is being enhanced starting on December 6 2024, with risk data from the SPAN 2 framework. Users of this file, in conjunction with PC-SPAN software or their own processes, can compute margin results for CME and OCC portfolios. Changes to this file, while not structural, include:

- The enhanced SPAN file will include asymmetric scan rates.
- Users reliant on PC-SPAN software should upgrade their version to the latest consistent with [this advisory](#).

The existing OCC / CME cross-margin pa2-formatted SPAN risk array file (with file extension .pa2) is being decommissioned as part of this release.

- Users of the pa2 version of the OCC / CME cross-margin SPAN risk array file should reach out to CME Clearing to discuss discontinuing use of this file and converting to the xml version of the risk array file. Depending on the use case, users may need to update processes upstream of margin calculation.
- CME Clearing will continue to support all other pa2 files.

Test Environment Availability

Beginning from Monday, October 28, 2024, users of the OCC / CME cross-margin SPAN risk array files can consume test data to understand the impacts of re-calibrated SPAN 2 risk arrays. Additionally, margin comparison reports for participating Clearing Members will be available via the participant firms' secure FTP site. The margin comparison report availability will be confirmed under a separate advisory.

Test file location:

- <https://www.cmegroup.com/ftp/span/data/xma/test>

Test file names (the contents of all files is the same):

- test.xm-ccl-occ.ild.YYYYMMDD.s.spn.zip
- test.xm-ccl-occ.ild.s.spn.zip
- test.xm-ccl-occ.ild.s.spn

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