

Update of Cross Margining Group Setup in SPAN margining

Summary

ECC plans to adjust the cross margining groups used within its Initial Margin Model SPAN as of 22 March 2023 as follows:

	Current Setup	New Setup
Cross Margining Groups	Power (except Japan)	Power (except Japan)
	Natural Gas (except LNG)	Natural Gas (except LNG)
	Emissions	Emissions
	LNG (JKM)	
	Dry Bulk Freight	Dry Bulk Freight
	LNG (JKM)	
	Japan Power	Japan Power
	Pulp	Pulp
	Butter	Butter
	Skimmed Milk Powder	Skimmed Milk Powder
No Cross Margining		Liquid Milk
		Whey Powder
		Processing Potato
	Liquid Milk	LNG (JKM)
	Whey Powder	
	Processing Potato	

Contact

European Commodity Clearing AG
Clearing & Settlement
Phone: +49 341 24680-444
E-mail: clearing@ecc.de

Within a cross margining group credits are considered between all combinations of long and short positions in descending order considering the limitation of portfolio effects according to Regulatory Technical Standard 153/2013 Article 27. For contracts outside the defined cross margining groups no credits are considered (including no credits are considered between different maturities of the same contracts).

Adjustment Process

The new configuration for the cross margining groups will be applied within the Derivatives Initial Margin Model (SPAN) for the first time in the EOD margin calculation on 22 March 2023, coming into effect the following business day 23 March 2023.

Clearing Members are reminded to check whether defined Emergency Member Stop Limits and deposited collaterals are set sufficiently to cover a possible margin increase.