

Regulation Margin

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1. Introduction

This Regulation is enacted pursuant to and in accordance with the definition of Margin and articles 6.1.2, 6.1.3 and 6.1.4 of the Clearing Rule Book.

Capitalised terms used in this Regulation, and not otherwise defined herein, shall have the meaning ascribed thereto in the Clearing Rule Book.

This Regulation applies as of 18 July 2022.

Changes to this Regulation will be implemented in accordance with the Changing Cboe Clear Rulebook & Regulations Procedure as published on Cboe Clear's website.

2. Margin

Securities Variation Margin is defined as the netted accumulation of settled cash and unsettled cash (such as accrued interest and payables/receivables from unsettled Trades and fees) and the net mark to market value of all Securities in a Position Account. All values in non-EUR currencies are expressed in EUR at the relevant market rate. Amounts payable to the Clearing Participant are expressed as positive values, and amounts payable by the Clearing Participant are expressed as negative values.

Options Variation Margin is defined as the net sum of mark-to-market values of all Options Contracts in a Position Account. All values in non-EUR currencies are expressed in EUR at the relevant market rate. Bought positions are expressed as positive values, and sold positions are expressed as negative values.

Futures Variation Margin is defined as the net sum of all unsettled Cash Settled Obligations related to Futures Contracts in a Position Account. Values are aggregated and expressed in the currency of the relevant Cash Settled Obligation. Amounts payable to the Clearing Participant are expressed as positive values, and amounts payable by the Clearing Participant are expressed as negative values.

Premium Margin is defined as the net sum of all unsettled Option Premiums related to Options Contracts in a Position Account. Values are aggregated and expressed in the currency of the relevant Option Premium. Amounts payable to the Clearing Participant are expressed as positive values, and amounts payable by the Clearing Participant are expressed as negative values.

Securities Initial Margin is defined as the amount calculated to cover potential future exposure arising from Securities in a Position Account. Values are calculated and expressed in EUR. Securities Initial Margin is expressed as positive values.

Derivatives Initial Margin is defined as the amount calculated to cover potential future exposure arising from Derivatives in a Position Account. Values are calculated and expressed in EUR. Derivatives Initial is expressed as positive values.

Minimum Margin Requirement is set at €0.

In relation to each Position Account, **Total Margin** is defined as the sum of the following two amounts:

- a) the maximum of (1) Securities Initial Margin minus Securities Variation Margin and (2) the Minimum Margin Requirement; and
- b) the maximum of (1) Derivatives Initial Margin minus the sum of Options Variation Margin, Futures Variation Margin, and Premium Margin, and (2) the Minimum Margin Requirement.

The Total Margin is payable by the Clearing Participant to Cboe Clear.

3. Issuance of margin calls

If, at any time, the Total Margin for a Position Account exceeds the Collateral value of the corresponding Collateral Account, Cboe Clear may issue a call to the Clearing Participant for the difference between the Total Margin of the Position Account and the Collateral value of the corresponding Collateral Account (a **Margin Call**).

Cboe Clear informs the Clearing Participant via email of the Margin Call being issued to the Clearing Participant.

Cboe Clear will issue a higher or supplementary Margin Call to the Clearing Participant following the first Margin Call on each Clearing Day if the amount of the Margin Call exceeds (the equivalent of) one million euro (EUR 1,000,000) and if the amount of the Margin Call relative to Collateral value exceeds 10%. Cboe Clear reserves the right to issue a higher or supplementary Margin Call to the Clearing Participant at any time where this is required by the respective risk situation.

The Clearing Participant must provide a statement whether the Margin Call will be covered by cash or Financial Instruments.

The Clearing Participant shall transfer the required Margin Call amount in cash or in Financial Instruments to its Collateral Account within one (1) hour after issuance of the Margin Call.

Clearing Participants shall authorise Cboe Clear to directly debit the relevant Account(s) of a Clearing Participant in an amount equal to the Margin Call, in either EUR or USD at Cboe Clear's discretion, where such Margin Call has not been met by a Clearing Participant one (1) hour following its issuance. The Clearing Participant shall procure that debit instructions received from Cboe Clear are honoured by the relevant bank.

4. Deadlines for deposit and withdrawal of Collateral

Further details on the operational deadlines regarding the deposit or withdrawal of Collateral can be found in Regulation Collateral.