



**THE FOUNDATION
FOR SECURE
MARKETS**

#48214

TO: ALL CLEARING MEMBERS

DATE: JANUARY 27, 2021

SUBJECT: INITIAL MARGIN REQUIREMENTS FOR FUTURES CUSTOMERS

OCC recently amended Interpretations and Policies (I&P) .01 to OCC Rule 602. The purpose of this amendment is to achieve compliance with recent revisions to Commodity Futures Trading Commission (CFTC) Regulation 39.13(g)(8)(ii). Departing from the historical practice of establishing distinct minimum maintenance and initial margin requirements for hedge and speculative customer accounts, revised CFTC Regulation 39.13(g)(8)(ii) and I&P .01 to OCC Rule 602 provide OCC with the ability to establish a higher minimum initial margin requirement for futures customers or categories of futures customers determined by their Clearing Member to have heightened risk profiles.

Effective January 27, 2021, Clearing Members should continue to use the daily theoretical pricing file (i.e., the SPAN Parameter file) provided by OCC to calculate the minimum margin amount for futures customer accounts as well as the minimum initial margin amount for futures customer accounts with a heightened risk profile. In addition, OCC will continue to publish applicable rates (e.g., scan ranges and spread rates) on the Options & Futures Risk Arrays (OFRA) page of the OCC public web site, which is available at <https://www.theocc.com/Risk-Management/OFRA>.

For any questions regarding this memo please e-mail pricingandmargins@theocc.com.