



## NOTICE TO MEMBERS

No. 2020 - 171

December 11, 2020

### THRESHOLD AND SURCHARGE VALUES FOR THE ADDITIONAL MARGIN FOR MARKET LIQUIDITY RISK OF S&P/TSX ESG INDEX FUTURES (SEG)

The additional margin for market liquidity risk covers the liquidity risk arising when the Corporation has to close-out positions at a price different than the market price.

This liquidity risk could be divided into two components: the first one is the inherent market liquidity risk which is mainly associated to the bid-ask spread, and the second one is the additional liquidity risk due to concentrated positions that cannot be liquidated within the bid-ask spread.

The Additional Margin for Market Liquidity Risk methodology will consider an absolute surcharge or a relative surcharge for positions exceeding predetermined thresholds.

The threshold and surcharge values for the S&P/TSX ESG Index Futures (SEG) will be effective **Monday December 14<sup>th</sup>, 2020**. Details regarding these values can be found below:

SEG			
	LOWER BOUND	UPPER BOUND	MLR PER CONTRACT (\$Value)
1	-	2900	31.25
2	2900	3045	36.65
3	3045	3190	58.01
4	3190	3335	86.26
5	3335	3480	118.50
6	3480	3625	153.25
7	3625	3770	189.64
8	3770	3915	227.07
9	3915	4060	265.12
10	4060	4205	303.52
11	4205	4350	342.05
12	4350	4495	380.56
13	4495	4640	418.92
14	4640	4785	457.05
15	4785	4930	494.89
16	4930	5075	532.39

---

#### Canadian Derivatives Clearing Corporation

100 Adelaide Street W 1800-1190 av des Canadiens-de-Montréal  
3<sup>rd</sup> Floor P.O. Box 37  
Toronto ON M5H 1S3 Montreal, Quebec H3B 0G7  
416.367.2470 514.871.3545  
www.cdcc.ca

<b>SEG</b>			
	LOWER BOUND	UPPER BOUND	MLR PER CONTRACT (\$Value)
17	5075	5220	569.51
18	5220	5365	606.23
19	5365	5510	642.54
20	5510	5655	678.42
21	5655	5800	713.87
22	5800	5945	748.88
23	5945	6090	783.45
24	6090	6235	817.58
25	6235	6380	851.29
26	6380	6525	884.57
27	6525	6670	917.43
28	6670	6815	949.87
29	6815	6960	981.92
30	6960	7105	1013.56
31	7105	7250	1044.81
32	7250	7395	1075.68
33	7395	7540	1106.18
34	7540	7685	1136.32
35	7685	7830	1166.09
36	7830	7975	1195.52
37	7975	8120	1224.61
38	8120	8265	1253.37
39	8265	8410	1281.80
40	8410	8555	1309.92
41	8555	8700	1337.72
42	8700	8845	1365.23
43	8845	8990	1392.44
44	8990	9135	1419.37
45	9135	9280	1446.01
46	9280	9425	1472.38
47	9425	9570	1498.48
48	9570	9715	1524.32
49	9715	9860	1549.90
50	9860	10005	1575.24
51	10005	10150	1600.33

**Canadian Derivatives Clearing Corporation**

100 Adelaide Street W 1800-1190 av des Canadiens-de-Montréal  
3<sup>rd</sup> Floor P.O. Box 37  
Toronto ON M5H 1S3 Montreal, Quebec H3B 0G7  
416.367.2470 514.871.3545  
www.cdcc.ca



For any further information, please contact the Risk Management Department at (514) 871-3505.

Anne Fiddes  
Vice President, Integrated Operations CDCC