



## **NOTICE TO MEMBERS**

No. 2021 - 066

April 26, 2021

### **UPDATED THRESHOLD AND SURCHARGE VALUES FOR THE ADDITIONAL MARGIN FOR MARKET LIQUIDITY RISK**

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 Corporation has updated the threshold and surcharge values. The new values will be effective **Tuesday April 27th, 2021**. Details regarding these values will be found on CDCC's website.

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

Anne Fiddes

Vice President, Integrated Operations CDCC

---

#### **Canadian Derivatives Clearing Corporation**

The Exchange Tower  
130 King Street West, 5<sup>th</sup> Floor  
Toronto, Ontario  
M5X 1J2  
Tel. : 416-367-2470

800 Victoria Square  
3<sup>rd</sup> Floor  
Montréal, Québec  
H4Z 1A9  
Tel. : 514-871-3545  
[www.cdcc.ca](http://www.cdcc.ca)