

31 MAY 2022

# **MIGRATION TO A VAR-BASED MARGIN METHODOLOGY FOR ITALIAN, SPANISH, PORTUGUESE AND IRISH GOVERNMENT BONDS**

To the attention of:	<b>Euronext Clearing Members on Bonds Clearing Sections</b>
Priority:	<b>High</b>
Topic:	<b>Migration to a VaR-based margin methodology (FIRE)</b>

Dear Client,

as anticipated via Market Notice of 27 September 2021 ([Market Notice FIRE](#)), a new VaR-based margin methodology (FIRE) will replace the SPAN-like margin methodology (MVP) currently applied to all bond instruments.

Go-live date will be the 20 June 2022 and the first impact will be on intraday margins.

The new methodology will apply to Italian, Spanish, Portuguese and Irish government bonds traded on Bond and ICSD Bond markets.

The MVP methodology will continue to apply to all remaining bond instruments (i.e. corporate bonds and bonds issued by sovereigns other than those mentioned above).

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The risk and new data flows manuals related to the new methodology can be retrieved on Euronext Clearing website:

<https://www.euronext.com/en/post-trade/euronext-clearing/risk-management/fixed-income-risk-engine>

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