



07 September 2023

# MIGRATION TO A VAR-BASED MARGIN METHODOLOGY FOR EQUITY AND EQUITY DERIVATIVES CLEARING SECTIONS OF BORSA ITALIANA

To the attention of:	<b>Euronext Clearing Members on Equity and Equity Derivatives Clearing Sections of Borsa Italiana</b>
Priority:	<b>High</b>
Topic:	<b>Enhanced VaR testing methodology</b>

Dear Client,

As previously announced in the Market Notice on 3 April 2023 ([Market Notice - 20230403 | Migration to a VaR-based margin methodology for equity and equity derivatives](#)), a new VaR-based margin methodology will replace the SPAN model (MARS) currently applied to Euronext Clearing's Equity and Equity Derivatives sections.

In the context of the preparatory activities for the go-live of the new VaR-based margin methodology for Borsa Italiana Equities, ETF and Derivatives (IDEM) markets on 9 October 2023 - subject to regulatory approval, Euronext Clearing is pleased to announce that starting from Wednesday 6 September 2023, an enhanced testing approach is now available for Clearing Members, on demand.

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## Enhanced testing approach

The new testing approach will allow Clearing Members to test in a production-like environment, both the public data files, including scenario reports (RF02), and the margin data files (DMxx); the margin data files will be produced by our systems in the test environment using production data. As a consequence, Clearing Members will have the possibility to receive more accurate scenarios / margin data and reconcile on a daily basis.

To this extent, we would like to highlight that as we will be using your production activity, you should NOT input any trades into the test environment as this will not be included in this production-like testing.

## Timing of margin data availability in the test environment

In terms of timing for the availability of the above-mentioned data:

- scenario reports (RF02) will be available on a daily basis by 7 pm including production data of the same day;
- margin data files (DMxx) will be available on a daily basis by 11 am including production data of the day before.

## What you need to do to participate to this enhanced testing

Should you wish to take part in such new testing approach, please address your request to Euronext Clearing, sending an email to the following email address: [ccp-membership@euronext.com](mailto:ccp-membership@euronext.com), so that you will be configured to receive production-like margin data files in your test environment.

For further information please contact:

### **Risk Management Office**

E: [CCP-rm.group@euronext.com](mailto:CCP-rm.group@euronext.com)