



10 JANUARY 2023

MIGRATION TO A VaR-BASED MARGIN METHODOLOGY FOR EQUITY AND EQUITY DERIVATIVES

To the attention of:	Euronext Clearing Members on Equity and Equity Derivatives Clearing Sections
Priority:	High
Topic:	Migration to a VaR-based margin methodology for Equity and Equity Derivatives

Dear Client,

As previously announced in the Market Notices of 23 June ([Market Notice - 20220623 | New Equity and Equity Derivatives VaR model](#)), 30 June ([Market Notice - 20220630 | New Equity and Equity Derivatives VaR model](#)) and 29 September 2022 ([Market Notice - 20220929 | New Equity and Equity Derivatives VaR model](#)), a new VaR-based margin methodology will replace the SPAN model (MARS) currently applied to Euronext Clearing's Equity and Equity Derivatives sections.

To ensure our Clients a sufficient time window to complete development and testing, the go-live has been scheduled on 9 October 2023, subject to regulatory approval and testing validation. In order to optimise the release of the software, the VaR core model will be tested and deployed into production jointly with VaR add-ons. Please note that the same VaR model will apply to all markets from that date onwards, including Euronext legacy markets from 23 October 2023.

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Client Impact:

The adoption of the new margin methodology involves the creation of new data flows for your internal reconciliation. Following the new data flows published with the Market Notice on 29 September 2022 ([Market Notice - 20220929 | New Equity and Equity Derivatives VaR model](#)), updated data flows documentation is now available on the Euronext Clearing website, in the dedicated Equity and Derivatives section:

<https://www.euronext.com/en/post-trade/euronext-clearing/risk-management/var-based-risk-model>

Documentation and the test platform will be updated in April 2023 to include the information related to risk addons.

Further details on test activities and data flow documentation will be disclosed in a dedicated market notice.

For further information please contact:

Risk Management

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