Explanation of the change in the SPAN® Risk Parameter file related to the Futures Price Scan Range of Sub-record type B

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Feeding of the **field Futures Price Scan Range (FPSR)**:

This field currently reflects the Underlying Price Scan Range (UPSR) value in amount whatever the Price Scan Range quotation method is (amount or percentage).

After this enhancement, the value of this field will reflect the value according to the Price Scan Range quotation method (amount or percent) defined for the Underlying Price Scan Range parameter in the Derivatives Clearing System and provided in the LCH SA Margins Parameters documents via Riskinfo.

- When the PSR quotation method of UPSR is set in percent then the value populated in that field is the parameter itself.

- When the PSR quotation method of UPSR is set in amount, the value populated in that field is the result of the parameter multiplied by a contract value factor(cvf).

- For non-option product, the contract value factor used is the one of the contract itself.

- For option product, the contract value factor used is the one of the corresponding underlying product.

EXAMPLES:

Two examples are detailed to describe the feeding of this field before and after the change. These ones are based on an extract of the LCH SA Margins Parameters and differ on the quotation method.

The first extract corresponds to the case of quotation method expressed in amount applied in practice to index combined commodities.

Combined commodity	Contract code	DPL +/-[1]	RIM[2]	UPSR +/-[3]	Risk Free Interest rate (*)[4]	VSR +/-	[5] Short Option Min.Charge
Index Derivatives							
FCE (CAC 40)	**FCE**	**240 ip**	**€ 2 800**	**280 ip**	-	-	-
	PXL	**-**	**-**	**280 ip**	Euribor	**22%**	€ 0
	PXA	**-**	**-**	**280 ip**	Euribor	**22%**	€ 0

The second extract corresponds to the case of quotation method expressed in percent applied in practice to stock option combined commodities.

Combined commodity	Contract code	Name	UPSR +/-	Risk Free Interest rate (*)	VSR +/-	Short Option Min.Charge
Equity derivatives on Euronext						
ABC	**AA1**	**ABC EXAMPLE**	**10%**	Euribor	**18%**	€ 0
	AA2		**10%**	Euribor	**18%**	€ 0
	AA3		**10%**	Euribor	**18%**	€ 0

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[1] DPL : Daily Price Limit   (ip : index point)

[2] RIM : Regular Initial Margin

[3] UPSR : Underlying Price Scan Range

[4] (*) : Euribor rate corresponding to maturity, reviewed weekly

[5] VSR : Volatility Scan Range

	Before Change	**After Change**
Amount UPSR of FCE Combined Commodity is set in Amount (corresponding to index point)	The *Price Scan Range quotation method* is set to 'A' in the record type P. The *Futures Price Scan Range* value is currently populated as follows for each series in the record type B: ■ for FCE series =280 x 10 (cvf of FCE) ■ for PXL series = 280 x 1 (cvf of PXL) ■ for PXA series = 280 x **10** (cvf of PXA)	The *Price Scan Range quotation method* is set to 'A' in the record type P. The *Futures Price Scan Range* will be populated as follows for each series in the record type B: ■ for FCE series = 280 x 10 (cvf of FCE) ■ for PXL series = 280 x 1 (cvf of the underlying PX1) ■ for PXA series = 280 x **1** (cvf of the underlying PX1)
Percent UPSR of ABC Combined Commodity is set in Percent.	The *Price Scan Range quotation method* is set to 'P' in the record type P. The *Futures Price Scan Range* value is currently populated as follows for each series in the record type B: • For AA1 series = (underlying stock price x 0.1 x cvf of AA1) • For AA2 series = (underlying stock price x 0.1 x cvf of AA2) • For AA3 series = (underlying stock price x 0.1 x cvf of AA3)	The *Price Scan Range quotation method* is set to 'P' in the record type P. The *Futures Price Scan Range value* will be populated as follows for each series in the record type B: ☐ For AA1 series = 0.1 ☐ For AA2 series = 0.1 ☐ For AA3 series = 0.1