NASDAQ OMX Derivatives Markets Intraday Limit Policy – CMS

BACKGROUND AND PURPOSE

NASDAQ OMX Derivatives Markets (NOMX) requires collateral for derivatives positions as one of several means to manage the risks assumed in the clearing and CCP services it provides. The routine business day cycle is to evaluate collateral surplus/deficit in the morning based on the previous end of day margin calculation. NOMX does however, have the right to call for additional collateral during the trading day (Intraday Margin Call) under the NOMX Rules and Regulations.

The purpose of this policy is to provide increased transparency of the procedures for Intraday Margin Calls.

SCOPE

This policy is applicable for all NOMX clearing counterparties that have migrated onto CMS.

LIMIT

The NOMX policy is to issue an Intraday Margin Call whenever a clearing counterparty's relative intraday collateral deficit is more than 20% and its absolute intraday deficit is more than MSEK 20.

If a clearing participant has chosen a CMS base currency in another currency than SEK then the equivalent of MSEK 20 in that currency using previous day FX rates will apply as absolute limit.

The relative intra-day collateral deficit is defined as: If MR<0 then (Abs(MR)-CV)/Abs(MR) else 0

The absolute intra-day deficit is defined as: If MR < 0 then Abs(MR)-CV else 0

Where

MR = Total Margin Requirement (based on real time derivatives positions and prices)

CV = Collateral Value after haircuts and concentration limits (based on real time collateral positions and previous day collateral prices)

Note that NOMX has the right, and may from time to time consider, to issue an Intraday Margin Call for other reasons than a breach of the intraday limit.