Nasdaq OMX Clearing
Margin Concentration and Position Limit policy

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1. Margin Concentration limits

The purpose of margin concentration limits is to manage large exposures. The limits aim to provide the Clearinghouse with additional default coverage in relation to significantly large and concentrated exposures.

For the Financial Market, the limits are enforced per margin calculation account and market group, while for the Commodities Market the limits are enforced per margin requirement account market (set of risk groups). When total Initial Margin (IM) (already scaled if applicable) for a margin calculation/requirement account and a market group/market is above a threshold, IM will be scaled up with a scaling factor. IM that is subject to scaling will be scaled down, on request, when it is below the threshold for scaling down.

Example for a Clearing Member and market group Swedish Index and Swedish TMC Index (IM in SEK)

Limit nr	IM thresholds for scaling up	Scaling factor	IM thresholds for scaling reduction
1	1 300 000 000	15%	1 400 000 000
2	2 000 000 000	25%	2 100 000 000

Example for a Clearing Member and market group Swedish Bond (IM in SEK)

Limit nr	IM limit for scaling up	Scaling factor	IM thresholds for scaling reduction
1	1 200 000 000	15%	1 300 000 000
2	2 400 000 000	25%	2 500 000 000

Example for a Clearing Member and Nordic Power (ENOBL, ENOPL, EPAD) (IM in EUR)

Limit nr	IM limit for scaling up	Scaling factor	IM limit for scaling reduction
1	75 000 000	15%	80 000 000
2	125 000 000	25%	135 000 000

Customers on the Derivatives Market may have limits different than those applied for Clearing Members.

The IM limits applicable from time to time are stated in the Rules and Regulations of the NASDAQ OMX Derivatives Market Appendix 13 Parameter Value List. Changes to Appendix 13 are communicated by market notice. For the Commodities Market, the current limits are available on the ftp site together with the other risk parameters. Changes to the parameters and limits are communicated by market notice.

If a limit is breached Nasdaq OMX Clearing will inform the Clearing Member or Customer. The Clearing Member or Customer will be given the choice to reduce its exposure during the day or else scaling of IM will be implemented in accordance with this policy.

A request for scaling down shall be submitted by the Clearing Member or Customer to Nasdaq OMX Clearing's Risk Management departments.

2. Position limits

The purpose of position limits is to manage liquidity risk in a default situation and to avoid delivery problems at contract expirations.

If a position limit is breached Nasdaq OMX Clearing may take actions such as requesting the Clearing Member or Customer to reduce or maintain the position or increasing the margin parameters for the instrument in question. Two weeks before expiry the participant has to demonstrate capacity to deliver the underlying instrument to be allowed to maintain the open position.

The position limits are enforced per margin calculation account and underlying instrument. The position exposure is defined as the aggregated net number of underlying instruments to deliver or receive per margin calculation account and underlying instrument, with delta for options always set to 1 for calls and -1 for puts.

Product type	Clearing Member Limit	Customer Limit
Single stock	10% * Number of listed shares per underlying stock	5% * Number of listed shares per underlying stock
Semi-standardized F/I instruments	25% * Sum of open interest per underlying instrument	25% * Sum of open interest per underlying instrument

Number of listed shares and open interest are available in various market feeds as well as on http://business.nasdaq.com/.

Contact information

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