

Rules and Procedures of HKFE Clearing Corporation Limited

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**CHAPTER I**

**INTERPRETATION**

Definitions

101. In these Rules the definitions contained in the Exchange Rules (as hereinafter defined) shall where the context permits be incorporated herein by reference and the following expressions shall, unless the context otherwise requires, bear the following meanings:-

“Business Day”	means, in relation to an Exchange Contract, any day <u>(other than a Saturday, Sunday or public holiday in Hong Kong)</u> during which the Exchange is open for trading that Exchange Contract;
“System Input Cutoff Time”	means 6:45 p.m. or such other time as may be prescribed by the Clearing House as the cutoff time for system input after the T Session <del>on each Business Day</del> ;
“T+1 Session Cutoff Time”	means <del>11:45 p.m.</del> <u>the time specified in Appendix B to these Rules</u> or such other time as may be prescribed by the Clearing House as the cutoff time for system input after the T+1 Session (if applicable) <del>on each Business Day</del> ;

**CHAPTER IV**

**CLEARING HOUSE MARGIN, VARIATION ADJUSTMENT,  
COVER FOR MARGIN AND ACCOUNTS**

409. (c) In addition to any other rights the Clearing House may have under these Rules, where the Clearing House has an obligation to make payment under Rule 408(a) in ~~the~~a Settlement Currency, notwithstanding that the Settlement Currency may be available, the Clearing House may in lieu of making payment in that Settlement Currency make payment to the HKCC Participant concerned, in full or in part, in such other currency or currencies and at such conversion rate(s) as the Clearing House may in its absolute discretion determine to be fair and reasonable having regard to all the circumstances of the case. The Clearing House shall only exercise its powers under this Rule in circumstances when the Clearing House considers in its reasonable opinion that the Settlement Currency is not freely available or convertible in the market.

Additional margin and intra-day variation adjustment

411. (e) In addition to any other rights the Clearing House may have under these Rules, where the Clearing House has an obligation to make payment under Rule 411(c) in ~~the~~a Settlement Currency, notwithstanding that the Settlement Currency may be available, the Clearing House may in lieu of making payment in that Settlement Currency make payment to the HKCC Participant concerned, in full or in part, in such other currency or currencies and at such conversion rate(s) as the Clearing House may in its absolute discretion determine to be fair and reasonable having regard to all the circumstances of the case. The Clearing House shall only exercise its powers under this Rule in circumstances when the Clearing House considers in its reasonable opinion that the Settlement Currency is not freely available or convertible in the market.

Special Block Trade Margin

- 411A. (c) A Block Trade will not be registered and novated with the Clearing House unless any Special Block Trade Margin in respect of the Block Trade is paid or otherwise considered by the Clearing House to have been satisfied by the prescribed time. Any trade adjustment request in respect of a Block Trade will not be accepted by the Clearing House unless any Special Block Trade Margin arising from such trade adjustment is paid or otherwise considered by the Clearing House to have been satisfied by the prescribed time.

**APPENDIX B**

**T+1 Session Cutoff Time**

<b><u>Products</u></b>	<b><u>Time</u></b>
<b><u>Equity Index Products</u></b>	
<u>HSI Futures</u>	<u>12:30 a.m.</u>
<u>Mini-HSI Futures</u>	<u>12:30 a.m.</u>
<u>HSCEI Futures</u>	<u>12:30 a.m.</u>
<u>Mini-HSCEI Futures</u>	<u>12:30 a.m.</u>
<b><u>Currency products</u></b>	
<u>US Dollar vs Renminbi (Hong Kong) Futures</u>	<u>12:30 a.m.</u>

**CLEARING HOUSE PROCEDURES FOR FUTURES/OPTIONS CONTRACTS TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE ("HKATS")**

**Chapter 1 Registration Procedures**

1.4 Trade and Position Adjustment

*1.4.1 Trade Adjustment*

For Block Trades executed during the T Session on a Business Day, trade adjustment requests may be submitted at any time 30 minutes prior to the System Input Cutoff Time on the same Business Day or 30 minutes prior to the System Input Cutoff Time on the next Business Day. For Block Trades executed during the T+1 Session on a Business Day, trade adjustment requests may be submitted at any time 30 minutes prior to the T+1 Session Cutoff Time ~~on the same Business Day of that T+1 Session~~ or 30 minutes prior to the System Input Cutoff Time on the next Business Day.

*1.4.3 Position Adjustment*

An HKCC Participant may submit position adjustment requests to the Clearing House at any time prior to the System Input Cutoff Time on a Business Day and, if the T+1 Session is applicable to an Exchange Contract, position adjustment requests in respect of positions in such Exchange Contract and any other Exchange Contract which is specified in its Contract Specifications to be fungible to such Exchange Contract may also be submitted from the completion of batch processing after the T Session to any time prior to the T+1 Session Cutoff Time ~~on the same Business Day~~, except for requests relating to:

*1.5.1 Closing of Positions*

Except for position closing between Flexible and standard Option series, HKCC Participants wishing to close out positions in the Omnibus Client Account may submit position adjustment requests to the Clearing House at any time prior to the System Input Cutoff Time on a Business Day and, if the T+1 Session is applicable, from the completion of batch processing after the T Session to any time prior to the T+1 Session Cutoff Time ~~on the same Business Day~~.

*1.5.4 Claiming Client Offset Positions*

HKCC Participants wishing to claim margin offset for positions in their Omnibus Client Accounts that are of an offset nature must request the Clearing House to open a Client Offset Claim Account for such purpose (please refer to section 1.2). HKCC Participants will have to transfer such eligible positions from the Omnibus Client Account to the Client Offset Claim Account. Positions in each portfolio for offset claim must belong to the same Client. Positions in the Client Offset Claim Account are maintained on a gross basis but margined on a net basis (please refer to section 2.2.6.3). An HKCC Participant may submit such position transfer requests to the Clearing House at any time prior to the System Input Cutoff Time on a Business Day and, if the T+1 Session is applicable, from the completion of batch processing after the T Session to any time prior to the T+1 Session Cutoff Time ~~on the same Business Day~~.

All claimed positions in the Client Offset Claim Account will be carried forward to the next Business Day unless otherwise instructed by HKCC Participants. HKCC Participants wishing to adjust the claimed positions in the Client Offset Claim Account may have to effect position transfer between the Client Offset Claim Account and the Omnibus Client Account by submitting such requests to the Clearing House at any time prior to the System Input Cutoff Time on the same Business Day or, if the T+1 Session is applicable, from the completion of batch processing after the T Session to any time prior to the T+1 Session Cutoff Time ~~on the same Business Day~~.