

Cross-currency Margin Offset - Supplementary Information

- 1) The following 2 RMB denominated stock options classes are pre-defined in the sample Risk Parameter Files (RPF) for testing purposes :

Combined Commodity	Contract Multiplier	Decimal locator for fixing value
SEXYX	1,000	2
SEXYZ	500	2

- 2) Currency conversion will be performed at a rate set by the clearing houses which will be available from the Record T in the RPF. The updated RPF specification can be downloaded from the HKEx website: http://www.hkex.com.hk/chi/market/rm/rm_dcrm/riskdata/Documents/Risk%20Parameter%20File%20Descriptions.pdf

- 3) Test Cases:

Below are sample portfolios in a net margined account and the margin requirements calculated by using the sample RPF released in July (file name: rpf-cross currency margin offset-120716.lis):

Sample Portfolio					Total Margin Requirement in	
Case	Combined Commodity	Currency	Series	Net Position	RMB	HKD
1	SEXYX	RMB	XYX32.00G2	-5	564	0
	SEHKB	HKD	HKB62.50T2	6		
2	SEXYX	RMB	XYX32.00G2	-5	740	3,505
	SEICB	HKD	ICB3.50G2	-5		
3	SEXYZ	RMB	XYZ30.00T2	4	0	1,763
	SEICB	HKD	ICB3.50G2	-5		
4	SEXYX	RMB	XYX32.00G2	-5	0	0
	SEXYZ	RMB	XYZ30.00S2	4		
	SEHKB	HKD	HKB60.00G2	4		
	SEICB	HKD	ICB3.50G2	-5		

* Exchange rate used in the calculation: 1.22681