

OTC Clear Rates and FX Derivatives Clearing Rules

PART I GENERAL PROVISIONS

Chapter 1 Definitions and Interpretation

Definitions

101. In these Clearing Rules, unless the context otherwise requires:

<u>“Bulk Settlement Run”</u>	<u>has the meaning given to it in section 3.11.2(i) of the Clearing Procedures;</u>
<u>“Bulk Settlement Run process”</u>	<u>has the meaning given to it in section 3.11.2(i) of the Clearing Procedures;</u>
<u>“Commencement Time”</u>	<u>has the meaning given to it in section 3.11.2(ii) of the Clearing Procedures;</u>
<u>“HKICL”</u>	<u>has the meaning given to it in section 3.11.1 of the Clearing Procedures;</u>
“Hong Kong dollars” or “HK\$” or <u>“HKD”</u>	means the lawful currency of Hong Kong;
“Notional Exchange Failure”	means a failure by a Clearing Member (a “Non-delivering Clearing Member”) to deliver, <u>by the Notional Exchange USD/HKD Settlement Ready Time for the Currency Pair (swap and FX) of USD and HKD, or the Notional Exchange USD/CNY (offshore) Settlement Ready Time for the Currency Pair (swap and FX) of USD and CNY (offshore)</u> ; (1) an Initial Exchange Amount or Final Exchange Amount of a Standard Cross-currency Rates Derivatives Contract as the case may be, by 12:00 hours Hong Kong time on the Initial Exchange Date or Final Exchange Date respectively of a Standard Cross-currency Rates Derivatives Contract and/or (2) a notional amount of a Deliverable FX Derivatives Contract as the case may be, by 12:00 hours Hong Kong time on the Settlement Date of a Deliverable FX Derivatives Contract;
<u>“Notional Exchange Settlement Cutoff Time”</u>	<u>has the meaning given to it in section 3.12 of the Clearing Procedures;</u>
<u>“Notional Exchange USD/CNY”</u>	<u>has the meaning given to it in section 3.12 of the Clearing Procedures;</u>

<u>(offshore)</u> <u>Settlement Cutoff</u> <u>Time”</u>	
<u>“Notional</u> <u>Exchange</u> <u>USD/HKD</u> <u>Settlement Cutoff</u> <u>Time”</u>	<u>has the meaning given to it in section 3.12 of the Clearing Procedures;</u>
<u>“Notional</u> <u>Exchange</u> <u>USD/CNY</u> <u>(offshore)</u> <u>Settlement Ready</u> <u>Time”</u>	<u>has the meaning given to it in section 3.12 of the Clearing Procedures;</u>
<u>“Notional</u> <u>Exchange</u> <u>USD/HKD</u> <u>Settlement Ready</u> <u>Time”</u>	<u>has the meaning given to it in section 3.12 of the Clearing Procedures;</u>

Chapter 2 General Provisions

203. Except as otherwise expressly provided in these Clearing Rules, OTC Clear, its Affiliates, a recognized exchange controller which is the controller of OTC Clear, or any of their respective Representatives shall not be liable to any Clearing Member or to any other Person in respect of anything done or omitted to be done by it in good faith in connection with the operations of the Rates and FX Clearing Services, the provision of such services and facilities available thereunder, and all other matters as contemplated in these Clearing Rules, including but not limited to any civil liability, whether arising in contract, tort, defamation, equity or otherwise for any Damage suffered or incurred directly or indirectly by a Clearing Member or any other Person as a result of or in connection with the following matters:

- (1) any error, interruption, failure or malfunction of, or inability to use any systems, communication lines or facilities or technology supplied, operated or used (directly or indirectly) by OTC Clear for purposes of operating its Rates and FX Clearing System and/or providing its services;