

香港期貨結算有限公司

(香港交易及結算所有限公司全資附屬公司)

HKFE CLEARING CORPORATION LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Risk Management Arrangements in respect of the Ching Ming Festival and Easter Holidays

Enquiry: 2211-6901

All markets operated by the Hong Kong Futures Exchange will be closed for business on 5 April 2019 and from 19 April to 22 April 2019 respectively. In order to assure that safeguards are in place against potential market risks that may arise during the aforesaid period when some of the major markets are open, the Clearing House has decided to adopt the following risk management measures:

1. Mandatory intra-day variation adjustments on Clearing Participants in the Hang Seng Index (“HSI”), Mini-Hang Seng Index (“MHI”), Hang Seng China Enterprises Index (“HHI”), Mini-Hang Seng China Enterprises Index (“MCH”), HSCEI Dividend Point Index (“DHH”), USD/CNH (“CUS”) and CNH/USD (“UCN”) markets will be made on **4 April 2019** and **18 April 2019** respectively. These intra-day variation adjustments will be calculated based on open positions existing in the above-mentioned markets at around 3:00 p.m. on 4 April 2019 and 18 April 2019 respectively. You are required to ensure completion of payments within one hour after receiving notification of details on the variation adjustment requirements, if any.
2. The margin levels of HSI, MHI, HHI, MCH, DHH, CUS and UCN futures contracts will be increased temporarily after the close of business of T session on **17 April 2019** (i.e. the adjusted margin requirement must be settled on or before 9:15 a.m., 18 April 2019). Details of the temporary margin levels will be announced on 12 April 2019 via a separate circular. The margin levels will be restored to normal after the close of business of T session on **18 April 2019** (i.e. after settling the day-end requirements as of 18 April 2019, Participants may

withdraw their margin surplus, if any, in the morning of 23 April 2019 by submitting withdrawal requests via CCMS by 11:00 a.m.).

Please note that the temporary increase in the margin levels will generally increase the margin requirements for contracts in the above-mentioned markets as at the close of 17 April 2019. While the degree of increase may vary from portfolio to portfolio, the impact on the margin requirements could be greater for certain index options series, especially those out-the-money series which are most sensitive to an increase in the underlying futures' margin levels. To assist Participants in assessing the potential margin impacts, the Clearing House will make available a simulated Risk Parameter File ("RPF") on 12 April 2019 for Participants' margin estimation purpose. Detailed arrangement will also be included in the margin circular to be released on 12 April 2019.

Please ensure that your staffs are fully aware of both the mandatory intra-day variation adjustments and the temporary increase in the margin levels and make necessary arrangement with your designated bank. You are also strongly advised to give advanced notice to your clients regarding these arrangements where appropriate and ensure that adequate margin deposits from your clients are maintained during the holiday period.

Despite the mandatory intra-day variation adjustments mentioned above, the Clearing House may make additional intra-day variation adjustments on 4 April 2019 and 18 April 2019, respectively, should market conditions warrant.

The Clearing House considers it appropriate to remind you the importance of having proper arrangement in place before and after the holiday period as those days are normal settlement days. In case of any key staffs on vacation before and after the holiday period, please ensure that your backup staffs are familiar with the operational and monitoring procedures to adequately monitor your exposure and fulfill the payment obligations to the Clearing House on time. Any failure in meeting the settlement timelines is an event of default under HKCC Rule 509. Please refer to the circular issued on 26 January 2018 (Reference: [CD/CDCRM/022/2018](#)) for more details on the payment obligations of the Participant and the consequence of the delay or failure in meeting the obligations.

For and on behalf of
HKFE Clearing Corporation Limited

Sit Ka Kit
Authorized Signatory