

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 Lunar New Year Holidays – **Reminder**

Enquiry: 2211-6901

Reference is made to the circular dated 13 January 2020 (Reference No.: [CD/CDCRM/008/2020](#)) regarding the risk management arrangements in respect of the forth-coming Lunar New Year Holidays. Participants are kindly reminded to take note of the following:

- The margin levels of MSCI Asia ex Japan Net Total Return Index (“MXJ”), USD/CNH (“CUS”) and CNH/USD (“UCN”) futures contracts will be increased temporarily¹ after the close of business of T session on **23 January 2020** as follows:

		<u>Client Margin</u>		<u>Clearing House Margin</u>
		<u>Initial</u> <u>(RMB)</u>	<u>Maintenance</u> <u>(RMB)</u>	<u>(RMB)</u>
CUS	Current Level	12,142 per lot	9,713 per lot	9,130 per lot
	Temporarily Increased Level	14,031 per lot	11,224 per lot	10,550 per lot
		<u>(USD)</u>	<u>(USD)</u>	<u>(USD)</u>
MXJ	Current Level	2,300 per lot	1,840 per lot	1,730 per lot
	Temporarily Increased Level	2,447 per lot	1,957 per lot	1,840 per lot
UCN	Current Level	738 per lot	590 per lot	555 per lot
	Temporarily Increased Level	946 per lot	756 per lot	712 per lot

¹ The spread margin rates will remain unchanged during this period.

The margin levels of MXJ, CUS and UCN futures contracts will be restored to the current levels after the close of business on **24 January 2020**.

The margin levels of Hang Seng Index (“HSI”), Mini-Hang Seng Index (“MHI”), Hang Seng China Enterprises Index (“HHI”), Mini-Hang Seng China Enterprises Index (“MCH”) and HSCEI Dividend Point Index (“DHH”) futures contracts will remain unchanged. For avoidance of doubt, the current margin levels of HSI, MHI, HHI, MCH and DHH are restated below:

		<u>Client Margin</u>		<u>Clearing House Margin</u>
		<u>Initial</u>	<u>Maintenance</u>	
		<u>(HK\$)</u>	<u>(HK\$)</u>	<u>(HK\$)</u>
HSI	Current Level	110,988 per lot	88,790 per lot	83,450 per lot
MHI	Current Level	22,197 per lot	17,757 per lot	16,690 per lot
HHI	Current Level	43,823 per lot	35,058 per lot	32,950 per lot
MCH	Current Level	8,764 per lot	7,011 per lot	6,590 per lot
DHH	Current Level	2,194 per lot	1,755 per lot	1,650 per lot

- Mandatory intra-day variation adjustments on Clearing Participants in HSI, MHI, HHI, MCH, DHH, MXJ, CUS and UCN markets will be made at around 12:00 noon on **24 January 2020**.

To assist Participants in better assessing the potential margin impacts, the Clearing House has made available a simulated Risk Parameter File (“Simulated RPF”) on the HKEX website for Participants’ margin estimation purpose. This Simulated RPF is prepared based on the settlement prices of 16 January 2020 and the temporarily increased margin levels. Participants may make use of the simulated RPF to estimate the clearing house margin requirements under the temporarily increased margin levels for their portfolios as well as the estimated funding requirements thereof. Participants should note that the simulated RPF is **for reference only** and does not intend to replace any daily RPF which are available at the end of each business day for the calculation of the actual day-end margin requirements.

For the purpose of the Capital-Based Position Limit (CBPL) assessment and the necessary additional margin calculation on the trading day prior to the holiday period, the normal margin rates instead of the temporarily increased holiday margin rates will be applied. In this regard, the Clearing House will disseminate the tailor-made risk parameter file carrying the normal margin rates (“Normal Margin RPF”) via its website after the close of business on **23 January 2020** to assist participants in monitoring their CBPL.

The “Simulated RPF” and the “Normal Margin RPF” as mentioned above can be downloaded from the HKEX website with the hyperlink stated below:

http://www.hkex.com.hk/-/media/HKEX-Market/Services/Clearing/Listed-Derivatives/Risk-Management/Reports-and-Data-Download/Simulated-RPF-for-Holiday-Margin/holidayrpf_jan20.zip

Please ensure your staffs are fully aware of both the temporary increase in the margin levels and the mandatory intra-day variation adjustments 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 adequate margin deposits from your clients are maintained during the holiday period.

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 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 30 July 2019 (Reference No.: [CD/CDCRM/124/2019](#)) 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