

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: Margin Levels and Other Risk Management Arrangements for Five New MSCI
Index Futures Contracts

Enquiry: 2211-6901

Reference is made to the circulars (Ref: [MKS/EQD/22/20](#) and [MKS/EQD/23/20](#)) dated 3 September and 18 September 2020 respectively regarding the introduction of the following five new MSCI Index Futures Contracts (“Contracts”) on 28 September 2020:

- MSCI Taiwan 25/50 (USD) Index Futures
- MSCI Taiwan 25/50 Net Total Return (USD) Index Futures
- MSCI Singapore Free (SGD) Index Futures
- MSCI Japan (JPY) Index Futures
- MSCI Japan Net Total Return (JPY) Index Futures

Margin Levels and Margin Offset Parameters

Please be advised that pursuant to Exchange Rule 617(d) and HKCC Rule 402, the Exchange and the Clearing House have determined that the margin levels and relevant margin offset parameters (i.e. intra-commodity spread credit rates) of the Contracts will be effective from the commencement of trading on **Monday, 28 September 2020**. The margin levels and relevant margin offset parameters can be found [here](#).

The minimum margin levels are for your firm’s financially strongest clients. Exchange Participants should set their margin requirements according to each client’s individual circumstances.

PC-SPAN Organisation Master File

For Participants who decide to use PC-SPAN¹ to calculate the margin requirements of the Contracts, please be reminded to update the Organisation Master File **on or before Monday, 28 September 2020**. Participants may choose to update the Organisation Master File via one of the following alternatives:

1. Replace the existing Organisation Master File with the latest one available on the HKEX website.

Hyperlink of the file:

http://www.hkex.com.hk/eng/market/rm/rm_dcrm/riskdata/orgmast/orgmast.zip

This file contains up-to-date parameters of all HKEX products cleared by the HKCC and SEOCH only and does not carry parameters of other exchanges and clearing houses; or

2. Replace the existing Organisation Master File with the one posted on the Chicago Mercantile Exchange (CME) website.

The file available on the CME website is maintained by the CME. Please refer to advisory notices published by the CME from time to time for the update time of the file; or

3. Manual input via the PC-SPAN interface.

Participants should use this alternative only as a last resort to avoid potential human errors during the manual process.

Should Participants choose to update the Organisation Master File via alternatives 2 and 3, you are strongly advised to ensure the accuracy of the Organisation Master File before making any margin calculations by checking it against the one available on the HKEX website which is accessible through the hyperlink provided in alternative 1 above.

Concentration Risk

Upon the launch of the Contracts, the following products will be combined into the same product group for the purpose of Participant's concentration risk assessment:

¹ SPAN (Standard Portfolio Analysis of Risk) is a registered trademark of the Chicago Mercantile Exchange

Hang Seng Index (HSI) Futures & Hang Seng China Enterprises Index (HSCEI) Futures Product Group:

- HSI Futures and Options
- Mini-HSI Futures and Options
- HSCEI Futures and Options
- Mini-HSCEI Futures and Options
- HSI (Net Total Return Index) Futures
- HSCEI (Net Total Return Index) Futures
- HSI (Gross Total Return Index) Futures
- HSCEI (Gross Total Return Index) Futures
- MSCI Asia ex Japan Net Total Return Index Futures
- MSCI Taiwan (USD) Index Futures
- MSCI Taiwan Net Total Return (USD) Index Futures
- MSCI Japan Net Total Return (USD) Index Futures
- MSCI India Net Total Return (USD) Index Futures
- MSCI China Free Net Total Return (USD) Index Futures
- MSCI Australia Net Total Return (USD) Index Futures
- MSCI EM Asia Net Total Return (USD) Index Futures
- MSCI Singapore Net Total Return (USD) Index Futures
- MSCI Hong Kong Net Total Return (USD) Index Futures
- MSCI Emerging Markets Net Total Return (USD) Index Futures
- MSCI Emerging Markets (USD) Index Futures
- MSCI India (USD) Index Futures
- MSCI China Free (USD) Index Futures
- MSCI Singapore Free Net Total Return (USD) Index Futures
- MSCI EM ex China Net Total Return (USD) Index Futures
- MSCI EM ex Korea Net Total Return (USD) Index Futures
- MSCI EM Asia ex China Net Total Return (USD) Index Futures
- MSCI EM Asia ex Korea Net Total Return (USD) Index Futures
- MSCI EM EMEA Net Total Return (USD) Index Futures
- MSCI Pacific Net Total Return (USD) Index Futures
- MSCI Pacific ex Japan Net Total Return (USD) Index Futures
- MSCI Taiwan 25/50 (USD) Index Futures
- MSCI Taiwan 25/50 Net Total Return (USD) Index Futures
- MSCI Singapore Free (SGD) Index Futures
- MSCI Japan (JPY) Index Futures
- MSCI Japan Net Total Return (JPY) Index Futures

Participants are advised to make necessary funding arrangement to meet the additional margin call in relation to concentration risk, if any, arising from the above change. Further details of the concentration risk policy and a list of the product groups can be found on the HKEX website².

Mandatory Intra-day Variation Adjustment (VA) and Margin Call

The Contracts will be included in the calculation of the mandatory intra-day VA and Margin Call. The positions and prices snapshots of the Contracts being used for such call are tabulated below:

Positions	Price
8:45 a.m.	Market prices at 9:15 a.m.

Participants are reminded that all positions, including those traded in the T+1 session of the previous business day and those traded in the T session of the business day, on or before the position snapshot will be included in the MMC.

For and on behalf of
HKFE Clearing Corporation Limited

Sally Tai
Authorized Signatory

² https://www.hkex.com.hk/Services/Clearing/Listed-Derivatives/Risk-Management/The-Safeguards?sc_lang=en