

香港場外結算有限公司
(香港交易及結算所有限公司附屬公司)

OTC CLEARING HONG KONG LIMITED
(A subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Increase of Notional Exchange Risk Limits

Enquiry: 2211-6753

To accommodate the increasing demand for clearing Cross Currency Swap (**CCS**) and Deliverable FX Derivatives (**DFX**) Contracts, OTC Clearing Hong Kong Limited (**OTC Clear**) has decided to increase the Notional Exchange Risk Limits applicable to the CCS and DFX clearing. The Notional Exchange Risk Limits will be imposed on a Clearing Member's daily net notional exchange amounts payable to OTC Clear across positions in CCS and DFX for each currency pair, as shown in Table 1 below.

	Notional Exchange Risk Limit	USD/CNH pair	USD/HKD pair
For a Clearing Member engaged in CCS clearing services only	Along the settlement horizon	USD 180 million; CNH 1,275 million	USD 200 million; HKD 1,570 million
For a Clearing Member engaged in DFX clearing services	Settlement within 15 OTC Clear Business Days (Near Limit)	USD 180 million; CNH 1,275 million	USD 200 million; HKD 1,570 million
	Settlement beyond 15 OTC Clear Business Days (Far Limit)	USD 1.5 billion; CNH 10.6 billion	USD 1.8 billion; HKD 13.9 billion

Please note that there will be no netting off between daily net notional exchange amounts across the different currency pairs in determining usage of the Notional Exchange Risk Limits. All Clearing Members should be aware of the respective Notional Exchange Risk Limits.

The increased Notional Exchange Risk Limits will be **effective from 26 August 2019**.

For and on behalf of OTC Clearing Hong Kong Limited

Andy Li
Vice President, Clearing Risk Management