

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: Clearing service launch of Interest Rate Swaps and Basis Swaps with reference to new Floating Rate Options

Enquiry: OTC Clear Operations Team (OTC_Operations@hkex.com.hk)

OTC Clearing Hong Kong Limited (**OTC Clear**) is pleased to advise that the Securities and Futures Commission has granted approval of the introduction of products and clearing services of Interest Rate Swaps and Basis Swaps with reference to the below new Floating Rate Options:

- Hong Kong Dollar Overnight Index Average (**HONIA**)
- Secured Overnight Financing Rate (**SOFR**)
- Effective Federal Funds Rate (**FedFund**)
- Euro Short Term Rate (**€STR**)

The table below summarizes the instruments with reference to the newly introduced Floating Rate Options. OTC Clear will start to accept these new instruments from 06 July 2020.

Instruments		Currency	Floating Rate Option	Maximum Tenor
Original Standard Rates Derivatives Transactions	Single Currency Interest Rate Swaps (HKD IRS: Fixed vs. Float)	HKD	HKD-HONIX-OIS-COMPOUND	16 Years
	Single Currency Basis Swaps (HKD Basis Swap: Float vs. Float)	HKD	HKD-HIBOR-HKAB vs. HKD-HONIX-OIS-COMPOUND	16 Years

Original Standard Rates Derivatives Transactions	Single Currency Interest Rate Swaps (USD IRS: Fixed vs. Float)	USD	USD-SOFR-COMPOUND	11 Years
			USD-Federal Funds-H.15-OIS-COMPOUND	
Original Standard Rates Derivatives Transactions	Single Currency Basis Swaps (USD Basis Swap: Float vs. Float)	USD	USD-SOFR-COMPOUND vs. USD-LIBOR-BBA	11 Years
			USD-SOFR-COMPOUND vs. USD-Federal Funds-H.15-OIS-COMPOUND	
Original Standard Rates Derivatives Transactions	Single Currency Interest Rate Swaps (EUR IRS: Fixed vs. Float)	EUR	EUR-EuroSTR-COMPOUND	11 Years
	Single Currency Basis Swaps (EUR Basis Swap: Float vs. Float)	EUR	EUR-EuroSTR-COMPOUND vs. EUR-EURIBOR-Reuters	11 Years

Clearing Members can refer to OTC Clearing Hong Kong Limited Clearing Procedures (“Clearing Procedures”) for details of the related enhancements.

The revised Clearing Procedures will be posted on HKEX website on 06 July 2020.

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