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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: Adoption of Supplement number 70 to the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) by OTC Clearing Hong Kong Limited (“**OTC Clear**”)

Enquiry: Clearing Operation team Hotline 2211 6508 / Email: OTC_Operations@hkex.com.hk

Please be advised that effective from 25th January 2021 (the “**Effective Date**”), OTC Clear will adopt in its entirety Supplement number 70 to the 2006 ISDA Definitions as launched by ISDA on 23rd October 2020 (the “**IBOR Fallbacks Supplement**”) for the purposes of interpreting or implementing the Contract Terms of each Contract registered with OTC Clear irrespective of its Registration Time.

For the avoidance of doubt, Contracts that are registered with OTC Clear on or after the Effective Date will adopt the IBOR Fallbacks Supplement and the Contract Terms of the Contracts that are registered with OTC Clear prior to the Effective Date will be amended pursuant to the IBOR Fallbacks Supplement, with such amendment to take effect from the Effective Date (i.e. the date that the 2006 ISDA Definitions are amended).

The IBOR Fallbacks Supplement amends, amongst other things, certain ‘floating rate options’ in the 2006 ISDA Definitions to include fallbacks that would apply upon the permanent discontinuation of certain key Interbank Offered Rates (“**IBORs**”) and upon a ‘non-representative’ determination for LIBOR. It also amends certain floating rate options that use USD LIBOR as an input to include fallbacks that would apply if USD LIBOR is permanently discontinued.

For details of the IBOR Fallbacks Supplement, please refer to ISDA website.

Unless otherwise defined, capitalised terms used in this circular carry the same meanings as defined in OTC Clear's Rates and FX Derivatives Clearing Rules.

For and on behalf of OTC Clearing Hong Kong Limited

Hector Lau
Managing Director
Clearing Operations