

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: **Routine recalculation of Notional Exchange Risk Multiplier**

Enquiry: **OTC Clearing Risk Management team Hotline 2211-6753**

Please be advised that pursuant to Chapter 4 of the OTC Clearing Hong Kong Limited Clearing Procedures, OTC Clear has completed its routine Notional Exchange Risk Multiplier recalculation on 5 July 2022. The levels of Notional Exchange Risk Multiplier are determined based on the results of a poll recently conducted with Clearing Members in June 2022.

The revised levels of Notional Exchange Risk Multiplier will be effective **from 7 July 2022**. The Notional Exchange Risk Multiplier will be applied to determine the additional margin requirement to be imposed on a Clearing Member based on such Clearing Member's net notional exchange amounts payable to OTC Clear from all cleared Standard Cross-currency Rates Derivatives Contracts and Deliverable FX Derivatives Contracts per contractual currency pair.

The Notional Exchange Risk Multiplier of different net notional exchange amounts for corresponding currency pair is summarized below.

Notional Exchange Risk Multipliers

Net notional exchange amounts for Renminbi (offshore) and US Dollar currency pair:

CNY (offshore) Net Notional (payable to OTC Clear)	Notional Exchange Risk Multiplier (in pips)	USD Net Notional (payable to OTC Clear)	Notional Exchange Risk Multiplier (in pips)
≥0 & ≤671 mn	0	≥0 & ≤100 mn	0
>671 & ≤1,677 mn	16	>100 & ≤250 mn	16
>1,677 & ≤3,354 mn	44	>250 & ≤500 mn	44
>3,354 & ≤5,031 mn	70	>500 & ≤750 mn	70
>5,031 & ≤6,708 mn	102	>750 & ≤1,000 mn	102
>6,708 & ≤10,061 mn	136	>1,000 & ≤1,500 mn	136
>10,061 & ≤13,415 mn	170	>1,500 & ≤2,000 mn	170
>13,415 mn	202	>2,000 mn	202

*mn refers to millions

Net notional exchange amounts for HK Dollar and US Dollar currency pair:

HKD Net Notional (payable to OTC Clear)	Notional Exchange Risk Multiplier (in pips)	USD Net Notional (payable to OTC Clear)	Notional Exchange Risk Multiplier (in pips)
≥0 & ≤1,099 mn	0	≥0 & ≤140 mn	0
>1,099 & ≤1,962 mn	3	>140 & ≤250 mn	3
>1,962 & ≤3,924 mn	9	>250 & ≤500 mn	9
>3,924 & ≤5,885 mn	19	>500 & ≤750 mn	19
>5,885 & ≤7,847 mn	32	>750 & ≤1,000 mn	32
>7,847 & ≤11,771 mn	46	>1,000 & ≤1,500 mn	46
>11,771 & ≤15,695 mn	65	>1,500 & ≤2,000 mn	65
>15,695 mn	82	>2,000 mn	82

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