

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 October 2022. The levels of Notional Exchange Risk Multiplier are determined based on the results of a poll recently conducted with Clearing Members in September 2022.

The revised levels of Notional Exchange Risk Multiplier will be effective **from 7 October 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 & ≤707 mn	0	≥0 & ≤100 mn	0
>707 & ≤1,767 mn	16	>100 & ≤250 mn	16
>1,767 & ≤3,534 mn	44	>250 & ≤500 mn	44
>3,534 & ≤5,301 mn	69	>500 & ≤750 mn	69
>5,301 & ≤7,068 mn	101	>750 & ≤1,000 mn	101
>7,068 & ≤10,602 mn	132	>1,000 & ≤1,500 mn	132
>10,602 & ≤14,136 mn	164	>1,500 & ≤2,000 mn	164
>14,136 mn	200	>2,000 mn	200

*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 & ≤1,177 mn	0	≥0 & ≤150 mn	0
>1,177 & ≤1,962 mn	2	>150 & ≤250 mn	2
>1,962 & ≤3,925 mn	8	>250 & ≤500 mn	8
>3,925 & ≤5,887 mn	19	>500 & ≤750 mn	19
>5,887 & ≤7,850 mn	32	>750 & ≤1,000 mn	32
>7,850 & ≤11,775 mn	46	>1,000 & ≤1,500 mn	46
>11,775 & ≤15,700 mn	65	>1,500 & ≤2,000 mn	65
>15,700 mn	83	>2,000 mn	83

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