

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 4 January 2023. The levels of Notional Exchange Risk Multiplier are determined based on the results of a poll recently conducted with Clearing Members in December 2022.

The revised levels of Notional Exchange Risk Multiplier will be effective **from 6 January 2023**. 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 & ≤690 mn	0	≥0 & ≤100 mn	0
>690 & ≤1,724 mn	16	>100 & ≤250 mn	16
>1,724 & ≤3,448 mn	45	>250 & ≤500 mn	45
>3,448 & ≤5,172 mn	71	>500 & ≤750 mn	71
>5,172 & ≤6,896 mn	101	>750 & ≤1,000 mn	101
>6,896 & ≤10,344 mn	130	>1,000 & ≤1,500 mn	130
>10,344 & ≤13,792 mn	163	>1,500 & ≤2,000 mn	163
>13,792 mn	196	>2,000 mn	196

*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 & ≤1,172 mn	0	≥0 & ≤150 mn	0
>1,172 & ≤1,953 mn	4	>150 & ≤250 mn	4
>1,953 & ≤3,905 mn	11	>250 & ≤500 mn	11
>3,905 & ≤5,858 mn	23	>500 & ≤750 mn	23
>5,858 & ≤7,811 mn	36	>750 & ≤1,000 mn	36
>7,811 & ≤11,716 mn	49	>1,000 & ≤1,500 mn	49
>11,716 & ≤15,622 mn	67	>1,500 & ≤2,000 mn	67
>15,622 mn	83	>2,000 mn	83

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