

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: Amendments to the Clearing Procedures of OTC Clearing Hong Kong Limited  
("OTC Clear")

Enquiry: Hotline (852) 2211-6508<sup>1</sup> / Email: [OTC\\_Operations@hkex.com.hk](mailto:OTC_Operations@hkex.com.hk)

Clearing Members of OTC Clear are requested to note that the Securities and Futures Commission has approved amendments to the Clearing Procedures of OTC Clear for the purpose of facilitating the deposit, withdrawal and porting of non-cash collateral during severe weather days.

The amendments, as set out in the Appendix, will come into effect on Monday, 23 September 2024.

The marked-up version of the amendments can be downloaded from the following sections of the HKEX website:

- "[Rule Update - OTC Clear Clearing Procedures](#)"

Beatrice Lung  
Head of Legal

<sup>1</sup> Calls to and from the Hotline may be recorded. HKEX Privacy Notice is available [here](#).

**OTC Clear Clearing Procedures**

**OTC Clearing Hong Kong Limited Clearing Procedures**

**Table of Contents**

<b>Chapter 9</b>	<b>Special Events / Business Continuity</b>
9.1	Arrangement for Special Events
9.2	Primary Data Center
9.3	Service Outage
9.4	Special Arrangement for Valuation of a Standard Rates Derivatives Contract which is Denominated in HK\$ and a Standard Cross-currency Rates Derivatives Contract which has a Fixed Amount or Floating Amount Denominated in HK\$ under Adverse Weather Conditions
9.5	[Deleted]
9.6	Special Arrangements of settlement of Initial Exchange Amount and/or Final Exchange Amount of any Standard Cross-currency Rates Derivatives Contract and Notional Amounts of any Deliverable FX Derivatives Contract under Adverse Weather Conditions

## Chapter 3

### Rates and FX Clearing Services and Clearing Link Services

#### 3.9 Procedures for Voluntary Deposit of Cash Collateral, porting of Cash Collateral representing Excess Margin and Withdrawal of Cash Collateral representing Excess Margin, Excess Participating Margin and Rates and FX Contribution Excess

##### 3.9.4 [Deleted]

#### 3.12 Cash Settlement Time

- (ii) In respect of the Initial Exchange Amount and the Final Exchange Amount of any Standard Cross-currency Rates Derivatives Contract and Notional Amounts of any Deliverable FX Derivatives Contract:
  - (a) the Clearing Member or the Sponsored Settlement Member (where applicable) must be operationally ready to settle the relevant cash settlement on a particular payment date by reserving sufficient funding for the relevant cash settlement no later than the Notional Exchange USD/HKD Settlement Ready Time for the Currency Pair (swap and FX) of USD and HKD and the Notional Exchange USD/CNY (offshore) Settlement Ready Time for the Currency Pair (swap and FX) of USD and CNY (offshore), on the relevant payment due date regardless of whether the “OTC Clear Settlement Report (Report Number STRP01)” and/or “OTC Clear Settlement Report for Client (Report Number STRP01\_C)” (if applicable) relating to that particular payment date is published at or prior to 08:30 hours Hong Kong time on such day or not;
  - (b) the cash settlement process for the Initial Exchange Amount and the Final Exchange Amount of any Standard Cross-currency Rates Derivatives Contract and Notional Amounts of any Deliverable FX Derivatives Contract must be completed by both the Clearing Member or the Sponsored Settlement Member (where applicable) and OTC Clear no later than: (A) the Notional Exchange USD/HKD Settlement Cutoff Time for the Currency Pair (swap and FX) of USD and HKD and the Notional Exchange USD/CNY (offshore) Settlement Cutoff Time for the Currency Pair (swap and FX) of USD and CNY (offshore) or (B) if OTC Clear determines to continue to settle any amount pursuant to section 3.19(ii)(a) of these Clearing Procedures by means of other methods as determined by OTC Clear, then in respect of such amount only, 16:00 hours Hong Kong time, in each case on the relevant payment due date regardless of whether the “OTC Clear Settlement Report (Report Number STRP01)” and/or “OTC Clear Settlement Report for Client (Report Number STRP01\_C)” (if applicable) relating to that particular payment date is published at or prior to 08:30 hours Hong Kong time on such day or not but provided that if such reports are not published information equivalent to that which would be set out in such reports is communicated to Clearing Member and/or the Sponsored Settlement Member (where applicable) by OTC Clear no later than the Notional Exchange USD/HKD Settlement Ready Time for the Currency Pair (swap and FX)

of USD and HKD, and the Notional Exchange USD/CNY (offshore) Settlement Ready Time for the Currency Pair (swap and FX) of USD and CNY (offshore); and

- (c) if a level “black” of the rainstorm warning system (a “**Black Rainstorm Warning**”) or a number 8 tropical cyclone warning signal (a “**Typhoon Signal Number 8**”) or above is issued by The Hong Kong Observatory or if extreme conditions are announced by any governmental authority of Hong Kong as a result of serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal Number 8 or above is lowered to a number 3 tropical cyclone warning signal (a “**Typhoon Signal Number 3**”) or below by The Hong Kong Observatory (“**Extreme Conditions**”), the special arrangements as set out in section 9.6 of these Clearing Procedures will apply and the operation of the procedures set out in this section 3.12(ii) shall be construed accordingly.

### **3.17 Porting of Client Contracts and Collateral to a Transferee Clearing Member**

#### **3.17.6 Timing**

A porting request satisfying, in the opinion of OTC Clear, the requirements set out in sections 3.17.1 or 3.17.3 above, as applicable, and the conditions set out in the Clearing Rules which is received by OTC Clear by 13:00 hours Hong Kong time on an OTC Clear Business Day will be processed by OTC Clear and OTC Clear will use its reasonable endeavours to complete such porting request by 20:30 hours Hong Kong time on the third OTC Clear Business Day following the date of receipt of such request. Porting requests received by OTC Clear on a day which is not an OTC Clear Business Day or after 13:00 hours Hong Kong time on an OTC Clear Business Day, will be deemed to be received on the next OTC Clear Business Day. OTC Clear will notify the Transferor Clearing Member and the Transferee Clearing Member through their web portal of the date and time on which each porting request has been successfully effected (the “**Porting Completion Time**”).

OTC Clear shall not be liable to any person in any way whatsoever for any delay of or failure/rejection of a porting request.

### **3.18 Porting of Contracts and Collateral amongst Client Accounts of a Clearing Member**

#### **3.18.2 Timing**

A porting request satisfying the requirements set out in section 3.18.1 above which is received by OTC Clear by 13:00 hours Hong Kong time on an OTC Clear Business Day will be processed by OTC Clear and OTC Clear will use its reasonable endeavours to complete such porting request by 19:30 hours Hong Kong time on the fourth OTC Clear Business Day following the date of receipt of such request. Porting requests received by OTC Clear on a day which is not an OTC Clear Business Day or after 13:00 hours Hong Kong time on an OTC Clear Business Day, will be deemed to be received on the next OTC Clear Business Day. OTC Clear will notify the Clearing Member through the web portal of the date and time on which each porting request has been successfully effected.

OTC Clear shall not be liable to any person in any way whatsoever for any delay of or failure/rejection of a porting request.

**Chapter 9**

**Special Events / Business Continuity**

9.5 [Deleted]

**Glossary**

**Defined Term**

**Page No**

Black Rainstorm Warning	3 / 64
Extreme Conditions	3 / 64
Typhoon Signal Number 3	3 / 64
Typhoon Signal Number 8	3 / 64