

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: **Acceptance of New Northbound Swaps for Clearing on Special Working Days under Swap Connect**

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OTC Clearing Hong Kong Limited (“OTC Clear”) is pleased to announce that effective from 2 September 2024, OTC Clear will accept new Northbound (“NB”) swaps for clearing on Northbound Clearing Days which are not OTC Clear Clearing Days (“Special Working Days”)<sup>1</sup> under Swap Connect in order to provide offshore market participants with NB swaps clearing service more consistent with that of onshore participants clearing via Shanghai Clearing House.

From 2 September 2024 onwards, OTC Clear will perform the margin novation process, Guarantee Fund (“GF”) sizing and additional margin calculation on Special Working Days. Clearing Members (“CMs”) are advised to note the following arrangements:

- 1) Relevant CMs shall fulfil the incremental margin requirement for clearing new NB swaps as part of the margin novation process on Special Working Days.
- 2) If the condition triggering an ad hoc GF resizing is met and observed on a Special Working Day, OTC Clear will then conduct ad hoc GF resizing on the following OTC Clear Clearing Day based on the highest uncovered stress loss and the average pro-rata share of the CM’s uncovered stress loss within the GF Calculation Period. CMs shall be notified of the revised GF amount on the ad hoc GF resizing day.

<sup>1</sup> Usually a Saturday or Sunday on which the onshore interbank derivatives market is open.

- 3) In the event that the uncovered stress loss of a CM exceeds the threshold under Clearing Rule 1510 on a Special Working Day, such CM shall be notified of the additional margin requirement on the following OTC Clear Clearing Day.
- 4) The notification and collection of Participating Margin and Inter-CCP Margin remain unchanged.

The amendments to Clearing Rules and Clearing Procedures of OTC Clear can be found in the OTC Clear circular (Ref. No.: [LSD/065/2024](#)) and will come into effect on 2 September 2024.

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