

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

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Subject: **Margin Requirements and Adjustment of Routine Intra-day Variation Margin Calls during Chinese New Year Holidays and Special Working Days**

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Please be advised that pursuant to Chapter 4 of the OTC Clearing Hong Kong Limited Clearing Procedures, the following risk management measures will be applied by OTC Clearing Hong Kong Limited to cover potential market volatility during Chinese New Year Holidays and Special Working Days:

1. Northbound Holiday Margin will be applied to each Clearing Member's CNY IRS portfolio. An amount equal to **10% of a Clearing Member's CNY IRS portfolio margin** will be first added to the End-of-Day Initial Margin call to be collected on 24 January 2025. Clearing Members will be able to check margin addon amounts under the report named "WEB MRcleared.csv" via OASIS after the close of clearing (i.e. around 22:00 Hong Kong time) on 23 January 2025. Clearing Members will be required to settle the margin call amount within 1 hour after the End-of-Day Initial Margin call issued at 08:30 hours Hong Kong time on 24 January 2025. Northbound Holiday Margin will be **reduced to 0%** at the close of clearing on 26 January 2025.
2. Holiday Margin will be applied to each Clearing Member's portfolio at the close of clearing on 27 January 2025. An amount equal to **27% of a Clearing Member's portfolio margin** will be added to the End-of-Day Initial Margin call to be collected on 28 January 2025. Clearing Members will be required to settle the margin call amount within 1 hour after the End-of-Day Initial Margin call issued at 08:30 hours Hong Kong time.

3. Holiday Margin as mentioned in (2) above will be **reduced gradually to 0%** until the close of clearing on 31 January 2025. Clearing Members are advised to check margin add-on amounts under the report named “WEB MRCCleared.csv” via OASIS.
4. Simultaneously, Northbound Holiday Margin will be applied to each Clearing Member’s CNYIRS portfolio at the close of clearing on 31 January 2025. An amount equal to **19% of a Clearing Member’s CNYIRS portfolio margin** will be added to the End-of-Day Initial Margin call to be collected on 3 February 2025. Clearing Members will be required to settle the margin call amount within 1 hour after the End-of-Day Initial Margin call issued at 08:30 hours Hong Kong time.
5. Northbound Holiday Margin as mentioned in (4) above will be **reduced gradually to 0%** until the close of clearing on 4 February 2025. Clearing Members are advised to check margin add-on amounts under the report named “WEB MRCCleared.csv” via OASIS.
6. Lastly, Northbound Holiday Margin will be applied again to each Clearing Member’s CNYIRS portfolio at the close of clearing on 6 February 2025. An amount equal to **10% of a Clearing Member’s CNYIRS portfolio margin** will be added to the End-of-Day Initial Margin call to be collected on 7 February 2025. Clearing Members will be required to settle the margin call amount within 1 hour after the End-of-Day Initial Margin call issued at 08:30 hours Hong Kong time. Northbound Holiday Margin will be **reduced to 0%** at the close of clearing on 8 February 2025.

Below is an illustrative example:

Close of Clearing on	23 Jan	24 Jan	26 Jan (SWD)
Initial Margin requirement	2,000	2,000	2,000
CNY IRS portfolio margin	1,000	1,000	1,000
Northbound Holiday Margin multiplier	10%	10%	0%
Northbound Holiday Margin	100	100	0
Total Initial Margin requirement	2,100	2,100	2,000

Close of Clearing on	27 Jan	28 Jan	29 Jan	30 Jan	31 Jan	3 Feb	4 Feb
Initial Margin requirement	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Holiday Margin multiplier	27%	27%	19%	10%	0%	0%	0%
Holiday Margin	540	540	380	200	0	0	0
CNY IRS portfolio margin	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Northbound Holiday Margin multiplier	0%	0%	0%	0%	19%	10%	0%
Northbound Holiday Margin	0	0	0	0	190	100	0
Total Initial Margin requirement	2,540	2,540	2,380	2,200	2,190	2,100	2,000

Close of Clearing on	6 Feb	7 Feb	8 Feb (SWD)
Initial Margin requirement	2,000	2,000	2,000
CNY IRS portfolio margin	1,000	1,000	1,000
Northbound Holiday Margin multiplier	10%	10%	0%
Northbound Holiday Margin	100	100	0
Total Initial Margin requirement	2,100	2,100	2,000

*Note: All figures in the table above are hypothetical for illustration purpose only and denominated in Hong Kong Dollars.*

7. There will be no Routine Intra-day Variation Margin Calls on 26 January, 29 January, 30 January, 31 January and 8 February pursuant to Chapter 4 of the OTC Clearing Hong Kong Limited Clearing Procedures.

Please note that:

1. Clearing Members still need to settle End-of-day Variation Margin with regard to applicable non-HKD currency during the aforesaid period. Clearing Members are reminded the importance of having proper arrangement in place before and after the holiday period as those days are normal settlement days. In case of any key staffs on vacation before and after the holiday period, please ensure the backup staffs are familiar with the operational procedures to adequately monitor their exposure and fulfill the settlement obligations on time.

2. The application of Holiday Margin and Northbound Holiday Margin will increase Clearing Members' Margin requirements. The impact will vary depending on individual Clearing Member's portfolios. Clearing Members may contact us (via the hotline and email address mentioned above) to assess the potential impact on their Margin requirements.
  
3. Clearing Members should be fully aware of the above measures and make the necessary funding arrangements. Clearing Members are advised to keep adequate levels of Excess Margin. End-of-Day Initial Margin calls will be issued if a Clearing Member's Margin Balance falls short of its Initial Margin requirement.

Johnny Chan  
Vice President  
Post Trade